FINANCIAL TIMES

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Venezuela: why oil is the key, Page 10

World news

German protest attracts 300,000

More than 300,000 West German anti-nuclear protesters joined rallies across the country after an Easter weekend of marches and demonstrations.

A Nato pipeline near Tübingen in southern Germany was slightly damaged in an explosion believed to be connected with the anti-nuclear protests. A company's premises in Hamburg was the target for another attack.

In Britain 11,000 people took part in a demonstration outside the Molesworth air base in Cambridgeshire against the proposed siting of cruise missiles. Page 2, Page 6

Nicaragua rejection

The Nicaraguan Government rejected outright the ultimatum made last week by President Reagan for it to open talks within 60 days with the rightist guerrillas, or Contras. Page 3

Liberia execution

The deputy commander of Liberia's presidential guard was publicly executed on a beach near the capital Monrovia on charges of trying to kill the country's leader, Samuel Doe, according to official sources.

Lebanon fighting

Fighting between Moslem and Christian militias temporarily closed crossing points between east and west Beirut. Battles in the southern city of Sidon killed three people.

Pacific murder

A woman teacher died when separatists stoned settlers' cars in the French Pacific territory of New Caledonia. More than twenty people have died in recent violence.

Yugoslav trial

Eleven Yugoslavs went on trial in northern Yugoslavia accused of hostile acts intended to create a separate state of Croatia.

Libyan charged

West German police charged a Libyan (29) with murdering anti-Gadaffi exile Gebrl Denali in Bonn last Saturday.

Shipping fraud

An Athens court sentenced 12 people for scuttling the Liberian registered supertanker Salem in 1980. The ship's $56m cargo of crude oil was embezzled in one of the biggest ever shipping frauds.

Von Bulow trial

Danish-born financier Claus von Bulow said he felt "calm and confident" as jury selection began in his second trial on Rhode Island for the alleged attempted murder of his multi-millionaire wife, Martha.

Paris explosions

Two explosions in north Paris damaged the offices of the state coal board and a Jewish-owned restaurant.

Anti-apartheid pledge

Leaders of South Africa's United Democratic Front, with over 2m followers pledged to fight apartheid, agreed to step up campaigns of civil disobedience and build support in the rural black homelands. Page 3

More Bhopal leaks

Two further chemical leaks from the Union Carbide plant in Bhopal have not injured anyone, Veerendra Patil, the Indian Chemicals and Fertilisers Minister told parliament.

Peace mission

Javier Perez de Cuellar, the United Nations Secretary-General, arrived in Baghdad for peace talks to end the four and a half year war between Iran and Iraq.

Football violence

Football violence erupted in Argentina at a Buenos Aires match where a spectator aged 14 was shot, 20 people injured and 440 arrested.

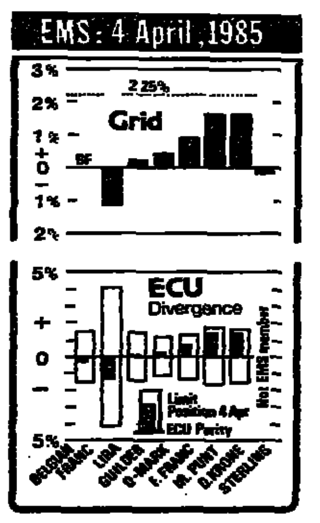
Business summary

Strength of dollar lifts oil import bill

STRENGTH of the U.S. dollar has added on average 34 per cent to the costs of oil imports by the European members of the International Energy Agency in terms of their national currencies. Page 22

WALL STREET: At 2pm, the Dow Jones industrial average was down 1.54 at 1,257.51. Details, Page 31

EUROPEAN Monetary System: The D-Mark and the lira were stronger within the EMS last week. The German currency benefited from the dollar's weaker trend, while the lira showed signs of improving with the onset of the tourist season. Trading was quiet, however, ahead of the Easter break. The Belgian franc was the weakest currency and slightly below the previous week's level. It remained comfortably within its divergence limit, however.



The chart shows the two constraints on European Monetary System exchange rates. The upper grid, based on the weakest currency in the system, defines the cross rates from which no currency (except the lira) may move more than 2¼ per cent. The lower chart gives each currency's divergence from its "central rate" against the European Currency Unit (ECU), itself a basket of European currencies.

TOKYO stocks advanced, spurred by speculative purchases of shipping and non-ferrous metals issues. The Nikkei-Dow market average added 65.98 to 12,635.96. Details, Page 31.

EGYPT'S new Economy Minister, Sultan Abu Ali, announced regulations to ease import restrictions and find a realistic official exchange rate for the currency. Page 3

KUWAIT ASIA BANK, an offshore institution owned by mainly Kuwaiti interests, has increased its net profit by 43 per cent to $5.3m in its third year of operation and will pay a 5 per cent dividend. Page 25

BHF-BANK, the West German commercial and merchant bank, announced improved profits and a higher dividend for 1984, with plans to open a new branch in Singapore. Page 25

ELF AQUITAINE, the French-controlled oil group, says improved profitability in production operations and better balance in its chemicals activities helped to lift earnings to FFr 6.5bn ($663m) from FFr 3.7bn. Page 25

CBS, the U.S. broadcasting group at the centre of recent bid speculation, has amended its bylaws to make itself less vulnerable to takeover attempts like that mounted by the Fairness in Media pressure group. Page 25

PLACER DEVELOPMENT, Australian mining group, may step up the maiden dividend on its Kidston prospect because of the beneficial effect the falling exchange value of the Australian dollar has had on its profits. Page 25

NATIONAL CAN, the U.S. packaging group which has been resisting a takeover bid by Mr Victor Posner, the Miami financier, has accepted an alternative offer from Triangle Industries. Page 23

U.S. calls Soviet missile proposal a 'political ploy'

BY STEWART FLEMING IN WASHINGTON AND PATRICK COCKBURN IN MOSCOW

THE REAGAN Administration yesterday bluntly dismissed the proposed Soviet moratorium on deployment of medium-range missiles in Europe as a political ploy and one which would do nothing to improve the atmosphere surrounding the Geneva arms talks.

In a statement of the U.S. position yesterday, Mr Robert McFarlane, President Ronald Reagan's National Security Adviser, described the offer as "a ploy on their side... to see if the political climate on Capitol Hill has changed... (and) to pressure us into changing our position." He said: "It is a discredited proposal first made two years ago," but he added that within a few weeks when people realised it was not a new position, "cynicism will deepen a little bit and that may lead the Russians to get more serious in Geneva."

Mr Larry Speakes, the White House spokesman, had over the weekend claimed the Soviets had a 10 to one advantage in intermediate nuclear weapons based in Europe largely because of the deployment of its SS20s. He did add, however, that the U.S. would give the Soviet Leader's remarks the "consideration they deserve."

In Moscow, the Soviet Union yesterday denied that it had any superiority in medium-range missiles in Europe. The Soviet newsagency

Mr Mikhail Gorbachev

Tass said the American claim was based on a "gross lie."

In an interview published in Pravda when Mr Mikhail Gorbachev, the Soviet leader made his offer, he also said that he was in favour of a meeting with President Reagan though the time and place had still to be decided.

Mr Gorbachev's interview with the editor of Pravda was his first significant foreign policy initiative since he was elected leader a month ago. It was conciliatory in tone and indicates a more active foreign policy than was possible while President Konstantin Chernenko was ill.

Mr Vladimir Chernyshov, a military correspondent for Tass, said that the American claim that Moscow had "immense superiority" in medium-range missiles was untrue because it was a comparison of ground-based missiles. It did not include nuclear missiles on aircraft aboard aircraft carriers or the British and French nuclear deterrents.

"Before Pershing 2 and Cruise missiles began to be deployed in Europe, there existed rough parity in the number of medium-range systems," said Mr Chernyshov.

The U.S. and Nato rejection of Mr Gorbachev's offer will not have come as a surprise to Moscow but the interview does show a greater Soviet capacity to take the initiative in foreign policy. This has been absent since Mr Yuri Andropov, the late Soviet leader, became seriously ill in the summer of 1983.

Mr Gorbachev's interview appears to be primarily directed towards West European governments and public opinion. He accused Washington of trying to "change the military balance" between the superpowers and said that some U.S. leaders regarded confrontation with Moscow "almost as a natural state."

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General strike in Sudan called off after warning

BY TONY WALKER IN CAIRO

THE GENERAL strike which led to the overthrow of President Jaafar Nimeiri of Sudan was called off last night after the new military ruler, General Abdul Rahman Swareddahab, bluntly warned of the use of emergency powers to end it.

General Swareddahab, the 51-year-old career officer recently appointed Defence Minister who seized power in a coup at the weekend, said in a radio broadcast that democracy would "not come through anarchy but through work."

His remarks were directed at doctors, lawyers, engineers and teachers at the forefront of a general strike which helped to force Mr Nimeiri from office and who are now agitating for a "national democratic transitional government." He also told them that the strikers were "compromising the interests" of the country and they might be guilty of "high treason."

Protesters, said to number more than 5,000, gathered outside military headquarters in Khartoum demanding an immediate transition to civilian rule.

The protesters carried banners denouncing one-party rule and chanted slogans saying "We shall not be ruled by remnants of the May revolution." This was a reference to Mr Nimeiri's coup in 1969 which installed a military government in Sudan that has ruled since then. Those who seized power in Sudan at the weekend include Mr Nimeiri's former close associates.

Reports circulating in Cairo say the generals were effectively pushed into staging the coup by junior officers who had formed links with civilian groups agitating for Mr Nimeiri's removal. The junior officers were preparing to lend their support to the agitation.

Both Washington and Cairo were extremely well informed about the moves against Mr Nimeiri and were not surprised by the events leading to the coup and its timing, according to Western diplomatic sources.

General Swareddahab has said that there will be an interim period of military rule before elections are held. A 12-man interim council will be formed to govern Sudan which will include three civilians.

Mr Nimeiri was taken to a military hospital in Cairo on Monday night for what Egyptian officials described as extensive medical tests.

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Tokyo move on trade imbalance unlikely to appease U.S. critics

BY ROBERT COTTRELL IN TOKYO

MR YASUHIRO NAKASONE, Japan's Prime Minister, is due today to unveil a package of market-opening measures intended to placate overseas countries, primarily the U.S., which is angry about Japan's growing trade surplus. Last year the U.S. recorded a $37bn trade deficit with Japan.

The package will contain some detailed measures which Japan hopes will soothe specific points of current "trade friction" with the U.S., particularly in the field of telecommunications. It will also include a medium-term strategy calling for the Government to take the lead in further liberalisation of the domestic economy and setting guidelines for Japan's overseas aid.

Mr Nakasone is expected to present the package as one meaning hardships and sacrifices for some sectors of Japanese industry. He is likely to argue for the market-opening measures not as concessions to foreign pressure, but as a way for Japan to take an appropriately leading role in the development of world trade.

It remains doubtful, however, whether Mr Nakasone's package will contain enough concrete changes to placate his fiercer critics in the U.S. Congress.

U.S. anger at Japan's bilateral trade surplus culminated in last week's Senate finance committee vote in favour of tariffs and quotas on Japanese goods entering the U.S. unless Japan first opened its own markets. In particular, today's package is unlikely to contain many surprises, but will be more a drawing together of points already agreed with U.S. negotiators on a disparate basis.

In the telecommunications sector Japan is prepared to make a slight reduction of the 30 technical standards applied in the testing of imported hardware. It says it is willing in principle to appoint a Japanese national employed by a foreign company to the apparatus of committees which advises the Ministry of Posts and Telecommunications on regulatory issues.

Japan also intends to review in a year's time whether official licensing and registration requirements have discriminated against foreign companies wanting to provide sophisticated data-handling services in Japan.

There is a slighter and more distant prospect of change in Japan's primary product importing policies, another area of friction with the U.S. Facing entrenched resistance from Japan's powerful rural lobbies and bureaucrats, Mr Nakasone is unlikely to offer anything more than a phased reduction of soft plywood tariffs in 1988-91, according to reports in Tokyo. A reduction may also be made in hardwood tariffs, exported mainly by south-east Asian countries.

Japan's medium term programme for promoting free trade has been drawn up by a ten-man committee under Mr Saburo Oktia, a former Foreign Minister, whose report is due to be formally presented to Mr Nakasone's Cabinet today.

The broad thrust of the report is expected to be in favour of easier market access and stimulation of domestic demand. It is unlikely, however, to argue that Japan's recent trade surplus with the U.S. has been mainly because of the strength of the U.S. dollar.

Thatcher joins criticism of Moscow offer

By Robert Mauthner in Singapore

MRS MARGARET Thatcher, the UK Prime Minister, yesterday firmly dismissed the proposal made by Mr Mikhail Gorbachev, the Soviet leader, for a freeze of the deployment of intermediate-range missiles in Europe as "unacceptable."

Mrs Thatcher, who took a similar line to that of the U.S. Administration, made her comments on a one-day official visit to Singapore, the second stop on her current tour of six Asian countries.

Mr Gorbachev's statement that the Soviet Union would freeze the deployment of medium-range SS-20 missiles in Europe until November and that its subsequent policy would depend on whether the U.S. followed Moscow's example, was made in an interview with the Soviet Communist Party newspaper Pravda. But Mrs Thatcher said that it did not alter the position in any way.

The Soviet leader's proposal would merely freeze a situation in which Moscow would have an enormous superiority in the intermediate nuclear weapons range, the Prime Minister said. It would not lead to a balance of medium-range nuclear forces in Europe.

Mrs Thatcher said she understood that the Soviet leader had also suggested a moratorium on research on space weapons, she emphasised that the Soviet Union had done a great deal of research in this field. In addition the Soviet Union had an anti-satellite system, which the West did not, and an anti-ballistic missile system had existed around Moscow for 20 years.

It was therefore very important that the U.S. should also have its own research programme on space weapons. But there was no point in introducing a freeze on research because it was impossible to verify it. The essence of any disarmament agreement was verification, without which no proper basis for mutual trust could exist.

Mrs Thatcher also emphasised that there could be no dialogue on arms control through articles in the press, as Mr Gorbachev seemed to think. The proper place to make any proposals was at the negotiating table in Geneva, where the U.S. and the Soviet Union are currently engaged in negotiations covering long-range and medium-range nuclear weapons, as well as space-based defence systems.

Mrs Thatcher and Mr Lee Kuan Yew, Singapore's Prime Minister, yesterday praised the success of their respective free enterprise poli-

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Unocal faces $3.5bn bid from Pickens

BY TERRY DODSWORTH IN NEW YORK

MR T. BOONE Pickens, the Texan oilman and takeover specialist, yesterday launched a $3.46bn bid for control of Unocal, the twelfth largest U.S. oil group, only a month after realising an estimated $115m profit on his attempted takeover of Phillips Petroleum.

The announcement of the $54 a share offer came as no surprise on Wall Street, which had been expecting a move from Mr Pickens after his assembly of a 13.6 per cent holding in Unocal. Shares in the Los Angeles based group were trading at around $35 until Mr Pickens began to build up his stake early this year. Since then they have put on about $14, gaining a further $1 in early trading yesterday to $49¾.

There was no immediate response to the offer from Unocal yesterday, but Mr Pickens's move promises to lead to the bitterest takeover battle he has so far been engaged in. At Congressional hearings in Washington last week, Mr Fred Hartley, the peppery Unocal chairman, traded insults with Mr Pickens when giving evidence on the economic value of the wave of takeovers now sweeping across U.S. industry.

On that occasion, Mr Hartley said his opponent had "created a speculative frenzy that has convinced his camp followers that there is easy money to be made in attacking oil companies, and to hell with tomorrow." In return, Mr Pickens complained about the dusty treatment being doled out to Unocal's main shareholder.

Mr Pickens's offer, which brings together a group of investors, is being made through Mesa Partners II and Mesa Eastern, two companies affiliated with his Mesa Petroleum group. Mesa Partners II already owns 23.7m Unocal shares, or 13.6 per cent of the outstanding stock, and the bid is aimed at the acquisition of a further 64m.

If acquired, the total of 87.7m shares would give Mesa slightly over 50 per cent of Unocal, which has 173.7m shares outstanding. The eventual intention, Mesa said yesterday, was to use the majority as "a step in obtaining control of Unocal and ultimately acquiring the entire equity interest in the company."

Finance was being arranged through Drexel Burnham Lambert, the New York investment bank, which was seeking to raise $3bn through the sale of equity, debt and preferred stock, while a commercial bank had agreed to try to raise another $1.1bn.

Unocal, which has chemicals and fertiliser interests as well as oil, had sales last year of $11.5bn, achieving a 12 per cent increase in net earnings to $700.4m, or $4.03 a share. Apart from the U.S., it has operations in the Netherlands, Indonesia, Thailand and Canada.

Until recently, Mr Pickens had insisted that his stake in Unocal was for "investment" purposes only - a disclaimer which has lacked credibility after his successive raids on General American Oil, Cities Services, Gulf Oil and Phillips.

From the start Unocal treated his investment as the beginning of a bid, and has attempted to build up takeover defences.

CBS tightens takeover defences, Page 25

Bevil, Bresler failure causes dollar to slip

BY TERRY DODSWORTH IN NEW YORK

ANOTHER failure of a company involved in dealings in the U.S. government securities markets hit the dollar in New York trading yesterday, knocking it back after four days of steady recovery last week.

The U.S. currency slipped back to DM 3.1550 in late morning dealings after starting the day at DM 3.1860. The dollar also slipped from Y256.25 to Y255.15, while the pound recovered slightly from $1.1935 to $1.2020.

The New York financial markets, however, responded calmly to the announcement that Bevil, Bresler & Schulman Asset Management of New Jersey had filed for bankruptcy. Although the failure was reminiscent of the collapse of ESM Government Securities in Florida last month, the immediate reaction was that the New Jersey company was a smaller concern with a narrower impact on the market.

The SEC said yesterday that the bankruptcy filings of the New Jersey company, which is affiliated with Bevil, Bresler & Shulman, a registered government and municipal securities dealer, showed an approximate "$48m short-fall" on its sale and repurchase agreements in government securities.

In addition, the filings listed a $65m debt from an unnamed affiliate.

CONTENTS

David White explains how a cornerstone of democracy is being abused

Role of Spanish referee court questioned

"HOW is it possible that 12 gentlemen who have not been elected by the people can hold up a government's most important reforms?"

This outburst from the front bench of Congress by Sr Alfonso Guerra, number two in the Socialist Government and number one bugbear for the Spanish right, swayed the political apple-cart. For the first time one of the cornerstone institutions of the post-Franco democratic system had been brought publicly into question.

The row is over the role of the Constitutional Court, modern Spain's equivalent to France's constitutional council. In France, difficulties in getting the Socialists' 1981 nationalisation programme past the council came close to causing an institutional crisis. Now frustration and anger over the way legislation is being paralysed threaten to provoke a similar crisis in Spain.

Recourse to the court has become a standard gambit for the opposition. With the Socialists holding 202 of the 350 Congress seats and an even larger majority in the Senate, the right's only chance is to filibuster. Half a dozen major pieces of legislation have been held up through the court, including three key Socialist reforms—abortion, the private school system and trade union rights.

Sr Guerra's attack was provoked by an imminent decision on the constitutionality of a law easing the strict ban on abortion. An anomalous situation has arisen whereby women who parliament voted 18 months ago should be able to have abortions can still be jailed for doing so. The ban remains until the court, which has now given itself extra time to decide, approves the law.

If the law is rejected, the Government says it will amnesty the people concerned.

Sr Guerra, who is not known for tact, taunted the court by saying rejection of the law would be regressing to the 18th century. His stance appalled the right, who said it was an affront to the constitution and the king, and disturbed some of his own party

> 'Half a dozen major pieces of legislation have been held up through the court, including three key Socialist reforms—abortion, the private school system and trade union rights'

The main opposition party, Popular Alliance, has succeeded in obstructing a busy legislative programme by sending laws to the court before they are enforced. At the end of last year, Congress passed an Act which would end this practice of prior appeal to the court. But a prior appeal has been lodged against this Act, too, so that it cannot take effect.

The court was set up five years ago as the supreme referee on constitutional rights and how to interpret them. Its members, 11 men and a woman, are drawn from veteran jurists nominated by the two Houses of Parliament, by the Government and by the judiciary, and appointed by the king for nine-year terms. Every three years, a third of the court is renewed.

The opposition argues that the prior appeal mechanism is a vital part of democratic checks and balances.

The court has not baulked at going against the Government. In 1983 it threw out key articles of a law re-defining the process of regional devolution, which had been hanging around since the previous administration and which has been fiercely challenged by Basque and Catalan nationalists.

But the problem is not so much the court as over-frequent recourse to it. The court's president, Sr Manuel Garcia-Pelayo, a veteran of the Republican army in the Spanish civil war who spent most of the Franco years in exile, has complained of excessive use of the institution. It is still working on cases dating back to 1982.

The abortion law is the most controversial victim of the delays. Under a reform of the penal code passed by both houses in late 1983, penalties were abolished for abortions in certain circumstances: rape, risk to the mother's life and deformation of the foetus. But enforcement was automatically suspended when the court agreed to deal with the appeal lodged by Popular Alliance deputies. They argued that abortion was contrary to article 15 of the constitution—"all have the right to life"—which was actually designed to rule out capital punishment.

The court is believed to be divided over whether the terms of the law are sufficiently tight.

Also awaiting decision is the right of regional governments to apply tax surcharges. A plan by the Socialist-controlled Madrid region to add 3 per cent to income taxes instead of collecting rates for sewage and garbage was suspended last month on orders from Prime Minister Felipe Gonzalez, after the opposition petitioned the official ombudsman and persuaded him to refer the issue to the constitutional court.

> 'The main opposition party, Popular Alliance, has succeeded in obstructing a busy legislative programme by sending laws to the court before they are enforced'

Another conflict before the court involves a recent vote by parliament that it should appoint all the members of the country's top legal body, the General Council of the judiciary, the majority of whom have until now been chosen by the judges themselves.

Other laws pending decisions by the court include a 1983 Bill on financing the regions, last year's educational reform affecting the system of state subsidies to private schools and another 1984 Bill on trade union liberties, which is being contested by the smaller unions for discriminating against them.

The Education Bill—along with abortion the main bone of contention between the Socialists and the country's powerful middle-class Catholic organisations—has been challenged by the opposition on six grounds ranging from parental choice to access to public funds.

In addition, the court still has to decide on a 1983 university reform—which actually went into effect before the appeal was lodged—and on the law which expropriated the Rumasa group the same year.

The Rumasa case has already been before the court once. The wide-ranging financial and industrial group was seized by decree in February 1983 and the measure was confirmed by Act of Parliament the following June. An opposition appeal against the decree was narrowly turned down by the court—thanks to Sr Garcia-Pelayo's casting vote—after a delay of 10 months. Since then, the Government has gone ahead with selling off most of the group.

Last October, however, a Madrid judge asked the court for an opinion on the main articles of the Act of Parliament, confirming the seizure and the state's rights over the group. Lawyers for former Rumasa chairman Sr Jose Maria Ruiz-Mateos argue he was depriced of his constitutional right to defend himself.

On the court's verdict hangs the future of the lawyers' action against the Government for "spoliation" of Sr Ruiz-Mateos's assets. The expropriation, justified by the authorities on the grounds that it averted a financial crises, was one of the Socialist administration's first, most controversial and most costly moves. It is a subject the Government does not want hanging around its neck come the next elections.

Soares and Gonzalez in private Euro talks

By David White in Madrid

Sr Felipe Gonzalez, the Spanish Prime Minister, and Sr Mario Soares, his Portuguese counterpart, were scheduled to hold private talks here last night on the problems which still remain to be solved between the two countries before they join the EEC.

The meeting, their first since the conclusion of entry negotiations last month, took place in the context of a conference of EEC socialist parties. The conference, which lasts until tomorrow, is also due to be attended by Sig Bettino Craxi, the Italian Prime Minister, M Lionel Jospin, leader of the French Socialist Party and M Jacques Delors, President of the European Commission. It will focus on Europe's economic situation and on foreign policy.

The Spanish and Portuguese leaders are anxious to give an impetus to bilateral negotiations, which began at senior-official level last week and are due to be resumed weekly from next week. It is hoped to reach an agreement on bilateral arrangements during the transition period before the end of next month, coinciding with final discussions in Brussels on the fine print of the entry treaties.

However, last week's Spanish-Portuguese talks failed to resolve any of the outstanding issues which affect trade relations between the two countries, fisheries and agriculture.

Denmark faces renewed protest in pay dispute

DENMARK faced renewed strikes and blockades yesterday after the end of the country's five-day Easter holiday, AP reports from Copenhagen.

A holiday pay provision in Danish labour law was expected to prevent some protests, but union meetings were scheduled around the country to discuss more widespread action tomorrow.

Denmark has been hit by nationwide labour protests since March 24, following the breakdown of more than four months of wage talks between the Danish Employers' Association and a union federation representing some 320,000 workers.

The protests continued last week in spite of emergency Government legislation intended to end the strikes with pay rises of 2 per cent, less than half what the unions had demanded.

Many of the strikes ended, at least temporarily, last Wednesday because of a Danish labour law provision which defers holiday pay to workers who are on strike the day before or the day after a holiday.

Before the Easter holiday, disputes had crippled air and ferry travel, shut down municipal bus services in Copenhagen and other cities, prevented fuel deliveries and led to clashes in Copenhagen and Odense between protesters and police.

Car price curbs end

The French Government will abolish controls on car prices from July 1, Finance Minister M Pierre Beregovoy said, Reuter reports from Paris.

The ceiling on car price increases, set at about 5 per cent this year, has been cited by both the state-owned Regie des Usines Renault and by Peugeot SA as a cause of heavy losses in the past two years.

Howe rejects Soviet offer of missile freeze

BY DAVID BUCHAN IN EAST BERLIN

MR MIKHAIL GORBACHEV'S offer of a temporary freeze on Soviet medium range missile deployments should be judged by whether it would lead to "truly balanced reductions" and by that test it failed, Sir Geoffrey Howe said in East Berlin yesterday.

In the first visit ever here by a British Foreign Secretary in East Germany's 35-year history, Sir Geoffrey told Herr Oskar Fischer, the East German Foreign Minister, that the Soviet Union had deployed globally more than 400 SS20 missiles, each with three warheads. Nato, for its part, has so far deployed just over 100 single-warhead cruise and Pershing missiles.

"A moratorium on that basis is not balance," he told his East German counterpart, according to British officials. Herr Fischer had raised the Gorbachev initiative as evidence of the Soviet will to strengthen peace and as "an invitation to the other side to act." The new Kremlin leader had implied that the Soviet freeze would only be continued beyond November if the West reciprocated

At the start of a trip through Eastern Europe that will take him to Czechoslovakia and Poland later this week, the UK Foreign Secretary was clearly at pains to advance Britain as an apostle of East-West dialogue, without at the same time compromising the U.S. negotiating hand in the talks already under way in Geneva with the Soviet Union.

In a dinner speech last night, Sir Geoffrey said the U.S. would have "its allies' full support" in Geneva, evidently anxious to blunt any wedge that his Warsaw Pact hosts might try to drive into Nato, perhaps in the shape of Sir Geoffrey's own recent and controversial critique of President Reagan's Star Wars missile defence programme.

The British Foreign Secretary reached for a classical quotation to support the U.S. approach of seeking individual agreements, if necessary, on medium range, offensive and defensive strategic weapons, as distinct from the Soviet insistence on an inter-related package deal in Geneva. He quoted Plutarch as saying: "Many things which cannot be overcome when they are taken together yield themselves up when taken little by little."

He also said that the super powers could not "negotiate by public declamation." UK officials believe that Mr Gorbachev, in his public calls for a missile freeze, is only stating what the Soviet side has already tabled in Geneva. In contrast to previous negotiations, the Soviet Union this time seems to be more forthcoming about details of the negotiations than the U.S. despite a mutual pledge to secrecy in Geneva.

Trade between the UK and East Germany has been running about £100m in the latter's favour in the past two years. While the UK did not want or expect "perfect balance" in bilateral trade, Sir Geoffrey said there should be some improvement in the imbalance.

Bombs and arrests mar W. German peace demos

BY RUPERT CORNWELL IN BONN

A DOZEN arrests and two bomb blasts at military-related installations scarred West Germany's traditional Easter weekend demonstrations by peace activists protesting against the installation of Nato Pershing II and cruise missiles in the country.

According to organisers, several hundred thousand people took part in the rallies and gatherings between Good Friday and yesterday, culminating in a series of assemblies in major cities including Cologne, Hamburg and Frankfurt.

Some 20,000 people staged a rally near the U.S. Pershing base of Waldheide yesterday, of whom eight were arrested when they climbed over a protective fence. Earlier two demonstrators had been arrested by police for blocking the main entrance of the U.S. facility at Schwäbisch-Gmünd in Baden-Württemberg, where Pershings are also deployed.

The two bombs, which caused no injuries, came overnight. One damaged equipment at a Nato fuel pipeline near Igginger in Baden-Württemberg, while the other partly destroyed the basement of a building housing a specialist naval design company which was reportedly carrying out a feasibility study on a new Nato frigate for the 1990s.

Despite the provocatively timed Soviet announcement of a moratorium on medium range nuclear weapons until at least November, the demonstrations passed off peacefully.

The political parties, on the other hand, reacted with sharp differences to the weekend proposals by Mr Mikhail Gorbachov, the new Soviet leader.

Herr Jürgen Todenhöfer, defence spokesman of the ruling CDU-CSU party, described the freeze as "completely unacceptable," in that it would only seal the superiority of Moscow in European theatre nuclear weapons. But the opposition Social Democrats, who in November 1983 came out overwhelmingly against the retaliatory deployment by Nato of cruise and Pershing II missiles, urged serious examination of the idea. The Greens, strongly identified with the peace movement, yesterday demanded an immediate halt by Nato to any further deployment.

Hellenic takeover bid

BY ANDRIANA IERODIACONOU IN ATHENS

YESTERDAY'S scheduled closure of Hellenic Shipyards, the strikebound and financially ailing yard owned by shipping magnate Mr Stavros Niarchos, has been put off until tomorrow to allow the Greek Socialist Government more time to consider a $14m (£11.76m) takeover offer made by the management last Friday.

The Government is under pressure from Socialist and Communist trade unionists to save the 4,800 jobs at Hellenic Shipyards, one of Greece's largest industrial employers. Political pressures also arise from the fact that early general elections are expected in June.

Hellenic Shipyards said yesterday that contacts with the Government continued "in a spirit of understanding." The Government has said it will reach a decision on the proposed takeover after assessing the company's assets and debts.

OVERSEAS NEWS

Iranians tell UN chief Gulf war will continue

BY OUR MIDDLE EAST STAFF

Sr Javier Perez de Cuellar, UN Secretary-General, *flew yesterday* from Tehran to Baghdad on his mediation mission. clearly having been told by Iran that it is not interested in a comprehensive settlement to its 54-month-old conflict with Iraq.

Reports *from Tehran by the* official Islamic Revolutionary News Agency indicated that the Iranian leadership had impressed on him their reasons for wanting to continue the conflict while bringing about a cesation of attacks on commercial shipping in the Gulf and —as only so far threatened by Iraq—civil aviation over Iran's air space as well as the use of chemical weapons.

With little hope of finding any common ground on limiting the conflict Sr Perez de Cuellar stopped en route for consultations with Sheikh Khalifa bin Mamdan al Thani. Ruler of Qatar.

There, Arab *diplomats* were quoted by Associated Press as saying that he was carrying with him an *eight-point* plan. Among its elements were said to be a cessation of attacks on population centres and oil traffic in the Gulf; ensuring the safety of civil aviation in the region; and a ceasefire along the 733-mile battle front.

UN spokesmen would make no comment and Sr Perez de Cuellar himself seemed anxious to stress the exploratory nature of his mission. On his arrival in Tehran on Sunday he said: "I have come to Tehran only to find out more about the stance of the Islamic Republic of Iran *concerning its war with* Iraq rather than offering specific proposals for ending it."

In Tehran he held talks with President Ali Khameni, Mr Mir-Hossein Mousavi, the Prime Minister, Mr Hojatoleslem Ali Akbar Hashemi Rafsanjani, Speaker of the Majlis (Parliament) and Mr Ali Akbar Velayati, the Foreign Minister.

Prior to his visit Mr Velayati had made it clear Iran was only interested in talking about limited ceasefire arrangements.

After it he said that Iran's aim in talking with officials from other countries and international organisations was "to clarify *its just stance* and Islamic views." Sr Perez de Cuellar had submitted no *specific proposals, he added.*

Iraq again stressed yesterday its rejection of any partial *arrangements limiting* the war which the Iranian Government says has resulted in the death of 7,000 and the injury of 30,000 of its civilians.

UDF pledges to step up anti-apartheid campaign

BY ANTHONY ROBINSON IN JOHANNESBURG

LEADERS OF the United Democratic Front (UDF), the anti-apartheid organisation which claims over 2m members, pledged to step up its campaign of civil disobedience, develop its support in the rural black home lands and streamline its decision-making process at a three-day congress over the weekend.

The congress, which took place in the Indian township of Azaadville, 25 km from Johannesburg, was allowed to take place by police despite strong official condemnation of the movement as a front for the *banned* African National Congress (ANC) and the arrest of 16 UDF leaders on treason charges.

In recent months many UDF leaders have lived a semi-clandestine existence to carry on organisation work despite constant police *suveillance*, among them Mr Patrick "Terror" Lekota, the Front's publicity secretary, who made a surprise appearance at the opening of the congress. His fiery speech condemning police violence and warning that South Africa was on the brink of civil war received heavy applause.

The congress passed a series of resolutions calling for closer liaison with the emerging black trade unions and student organisations, the withdrawal of South African forces from Namibia, condemnation of police repression in the townships and threatened mass demonstrations if the planned New Zealand rugby tour takes place.

It also created a small national executive committee charged with *improving* co-ordination between regions and the Front's 645 affiliated organisations and ensuring quicker reaction to events.

The UDF was formed 19 months ago as a radical multi-racial movement to fight against implementation of the new tri-cameral constitution, but has since broadened its activities to oppose a broad range of the Government's proposed reforms.

Bridge in Chad brings food relief

By Peter Blackburn recently in Chad

A SMALL, makeshift bridge is bringing great benefit by easing a significant bottleneck in supplying food aid to landlocked Chad, the world's poorest country.

With an annual per capita income of only $80, Chad, along with other semi-desertic Sahelian countries *stretching* from Mauritania in the West to Somalia in the East, has been devastated by the worst *drought* this century.

In addition 20 years of civil war have ruined Chad's economic and administrative infrastructure *severely handicapping* the distribution of food and medical aid.

Normally food aid is ferried across the Chari river from the Cameroonian border town of Kousseri to the Chadian capital N'djamena. However, when the *river fell to its lowest level* last December and threatened to make the ferries inoperable an emergency alternative had to be found.

An earth causeway completed by a 15 metre bridge of iron girders fixed onto barges was hastily constructed.

Financed by the EEC and executed by the United Nations Development Programme (UNDP) with Swiss disaster relief *engineers the bridge and causeway* were built in less than 50 days and opened early February.

"The bridge is a tremendous improvement. It used to take an hour to ferry a single lorry and only 12 could cross daily," said Fernand Scheller, UNDP's deputy head in N'djamena.

Although there are four ferries, *including two operated* by the UN's world food programme (WEP), they never all operated at the same time.

The makeshift bridge is planned to remain in use until July when flood waters will probably wash it away. However by then a more permanent 220 metre long bridge with steel superstructure and cement foundations, financed by the UNDP and Swiss Government, is scheduled to be completed.

"It's incredible there is no bridge especially as imports from Nigeria as well as the Cameroon use this route," an aid official commented. *In* fact the French built a pontoon bridge but it lasted only four years before being swept away in 1954.

Strained political relations with the Cameroum combined with security fears connected with the protracted Chadian civil war were the main reasons, according to observers in N'Djamena.

Commercial interests of the people of Kousseri and ferry owners were other factors. Lorry drivers and travellers provided *good trade for restaurant and* hotel owners during their long wait for the ferry.

The river crossing is, however, only the middle of the triple stage supply of food aid. There are also problems involved with transporting food from ports in Cameron and Nigeria to the Chadian frontier and then distributing it across the country.

The 2,000 kilometre rail and road trip from Douala usually takes a month. Delays are caused by lack of port handling capacity, bureaucratic delays and transhipment at the Ngaoundere rail terminus.

Although the Nigerian route is 400 kms longer the journey often takes less than a week as port capacity is greater and food can be taken by lorry all the way.

Unfortunately the faster Nigerian route is also less reliable. The border was only recently reopened after being closed for most of last year as part of the military government's efforts to curb smuggling and improve security.

But the main problem is the internal distribution of food aid, according to Mr Mahamat Muktar, director of the Ministry of Natural Disasters.

Egypt changes import funding rules

BY TONY WALKER IN CAIRO

EGYPT has effectively returned to the "own foreign *exchange system*" *to fund* imports, scrapped just three months ago.

Under regulations announced yesterday by Mr Sultan Abu Ali, the Economy Minister, importers will be free to fund imports using dollars from their own accounts.

Mr Ali, appointed just over a week ago to replace Dr Mustapha Said, also announced a more flexible approach to establishing a market value of the Egyptian pound.

It is expected the official rate for the pound will fall into line with that available on the open market, around E£1.40 to the U.S. dollar. The official bank rate has been at about E£1.27.

January's regulations, aimed at stamping out black market *dealing and holding down* imports, obliged importers to fund letters of credit using local currency which was then converted into foreign exchange at the official bank rate.

The weakness of the system was that banks had insufficient foreign exchange to satisfy importers' demands because the rate at which the banking system was authorised to buy dollars was pitched much too low.

At the same time, a big increase in then umber of items subject to import restrictions was introduced. This caused long bureaucratic delays for importers wishing to bring in restricted goods.

Mr Ali announced a streamlining of the system of import rationalisation. Spare parts and *raw materials, for example, have* been removed from the import rationalisation list.

He also cancelled a rule introduced in January, requiring *banks to allot 25 per cent of* foreign curency deposits to a central bank pool.

Western bankers expect that the more flexible approach to fixing the Egyptian pound's floating rate will lead to a devaluation at first of about 10 per cent.

They believe that the value of the Egyptian pound against the U.S. dollar will move between about E£1.40 and E£1.50 for the time being, depending on the rate of inflow of foreign currency from Egyptian workers abroad which usually builds up at this time of the year as the summer vacation approaches.

Egypt is retaining low official rates of exchange for imports of strategic commodities such as wheat and sugar.

Foreign bankers, particularly those representing foreign currency branches (FCBs), have welcomed the regulations. FCBs were effectively cut out of the trade financing market by *January's regulations* because they were not authorised to handle local currency.

"I'm very encouraged," said one British banker. "It looks as though we're back in the ring." He added, however: "I hope they don't over-react because there is a need to control imports and to match them with the currency available."

Research into Concorde replacement urged

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

RESEARCH into the development of a second-generation *supersonic airliner, to replace* the Concorde around the end of this century, has been urged by a *U.S. White House* scientific and technological advisory committee.

The White House report, which does not commit the U.S. to any spending on a specific second-generation SST (supersonic transport), will encourage *the aerospace manufacturers on* both sides of the Atlantic who have maintained low-key studies *in this field for some time.*

Following the completion of the Anglo-French Concorde programme research and development some years ago, after outlays of close to £1bn, work to keep abreast of advancing technology has been continued *by British Aerospace and Aero-*spatiale in France on a private venture basis.

In the U.S., the formal joint U.S. Government and aerospace *industry programme to develop* a larger SST than Concorde was cancelled in the 1960s, on grounds of *unacceptable* cost and limited marketability.

Since then, however, major companies such as Boeing and Lockheed have continued private studies, but like the British and French, only on a low-key basis, with no publicity and only *small sums being spent.*

The White House study, recently completed, suggests that the advances in technology since the Concorde entered service in 1976, together with potential advances over the next 15 years, could ensure an acceptable SST.

Such an aicraft might fly as fast as 2,000 mph (against *Concorde's 1,200 mph) and carry* up to 600 passengers against Concorde's 100. It would be much less noisy than Concorde, a major requirement for social *acceptability.*

Mr George Keyworth, the White House's scientific adviser, *said* the report did not commit the Reagan Administration to building a second-generation SST.

But the committee(which was chaired by John Steiner, a former Boeing technologist, and which included government and aerospace experts) feels that basic research by both government and industry should be directed towards such an aircraft, while at the same time exploring other advanced aeronautical concepts.

The latter could include air*craft using conventional run*ways for take-off and landing but operating at the fringes of *the atmosphere*, moving into and out of orbit as desired—a type of "ballistic orbital transport" for long-distance flights. The existing Space *Shuttle is a logical forerunner* for such a development.

The committee foresees the need for *a wide* variety of subsonic aircraft of greater fuel efficiency, for use at small airports with much less noise and greater economy.

In this, the exploration into the use of "prop-fans" (propellers shaped like ships' screws, giving savings up to 40 per cent in fuel consumption) is relevant.

Mr Keyworth said the committee wants to see the U.S. Government and industry paying closer attention to all these areas.

"Although this Administration has made no commitment to a supersonic transport, we are laying the groundwork in *the fundamental technologies* essential for any future efforts in supersonic flight."

Nicaragua rejects U.S. ultimatum on talks

By Tim Coone in Managua

THE NICARAGUAN Government has rejected outright an ultimatum *delivered last week* by President Reagan, calling on Nicaragua to open talks within 60 days with the U.S. backed Rightist guerrillass, or Contras, *to hold* new elections and to accept the mediation of the Church in talks with the contras.

In return Mr Reagan offered that the $14m (£11.76m) his Administration is requesting from Congress for further aid to the Contras would be converted into "humanitarian aid" if the talks proved acceptable to the guerrillas.

Father Miguel D'Escoto, Nicaraguan Foreign Minister, described Mr Reagan's offer as *totaly unacceptable and a "desperate move"* to convince the U.S. Congress to approve the military aid. *He said the ultimatum was "more a declaration of war than an offer of peace."*

Mr Reagan *apparently* met with Sr Adolfo Calero, leader of the main rightist guerrilla organisation, the FDN, before making his offer to the Nicaraguan Government last week. Speaking on the FDN radio station at the weekend. Sr Calero affirmed U.S. support for his guerrilla organisation and added that the FDN demanded several preconditions for talks with the Nicaraguan Government, namely, a lifting of the state of emergency and an end to press censorship.

Meanwhile, the contras continued to take heavy casualties in fighting in northern Nicaragua, according to a communique issued by the Nicaraguan Ministry of Defence. In five separate actions in the *departments of* Jinotega and Nuevo Segovia, the army claims to have killed 128 contras at *the end of March and in early* April. No government casualty figures were given.

WORLD TRADE NEWS

Japanese advised to remove all barriers against U.S. exports

BY STEWART FLEMING IN WASHINGTON

JAPAN must quickly remove all trade barriers to U.S. exports if it is to head off pressure for retaliatory measures in the U.S. against Japanese trading practices, Senator Bob Packwood, chairman of the U.S. Senate's Finance Committee, warned at the weekend.

Senator Packwood gave his warning just ahead of today's unveiling by Japanese Prime Minister Yasuhiro Nakasone of a package of market-opening measures aimed at placating anger in the U.S. and other countries over Japan's growing trade surplus.

Last week, the Senate Finance Committee, which is the most influential domestic policy group in the Senate and has responsibility for originating trade legislation, approved proposals to require President Reagan to take retaliatory measures if the U.S.-Japanese trade negotiations do not make rapid progress.

In Tokyo, the Kyodo news agency reported at the weekend that the U.S. would hold working level talks on goods and services procurement by Nippon Telegraph and Telephone in Washington on April 15 and 16.

"The Japanese have strung us out too long and the rubber band has snapped." Senator Packwood said in a reference to the mounting frustration in the U.S. with both the $37bn bilateral trade deficit with Japan and the years of slow progress on trade liberalisation.

He called for Japan to remove trade barriers on beef, citrus, tobacco and wood products. "If they did that they would pull the teeth out of most of the objections," he said.

Mr Lee Iacocca, chairman of Chrysler, plans to negotiate terms for a joint production venture in the U.S. with Mitsubishi during a trip to Japan this week, according to the trade paper Automotive News, Reuter reports from Detroit. The paper quoted industry sources as saying the joint venture would be aimed at producing sub-compact cars, possibly at a new plant in the mid-western U.S. The Chrysler factory at Belvidere, Illinois, was also being considered.

● Two former top U.S. Administration economists said at the weekend that retaliation against Japan could trigger a world trade war, AP reports from Washington.

Both Mr Alan Greenspan, who served under President Ford, and Mr Charles Schultze, an adviser to President Carter, said they opposed measures pending in Congress aimed at forcing Japan to open its markets to more U.S. products.

"It's a no-win situation." Mr Greenspan said. "It may be satisfying to bash the Japanese . . . but surely it is we who are hurt more than they and it stirkes me that it's a very short-sighted policy."

World Economic Indicators

UNEMPLOYMENT

		Feb '85	Jan '85	Dec '84	Feb '84
U.S.	000's	8,399	8,484	8,191	8,836
	%	7.3	7.4	7.2	7.8
UK	000's	3.144	3.124	3,106	3,005
	%	13.0	12.9	12.8	12.4
		Jan '85	Dec '84	Nov '84	Jan '84
W. Germany	000's	2,619.4	2,325.2	2,189.2	2,539.3
	%	9.7	8.6	8.1	9.4
France	000's	2,553.2	2,524.6	2,524.9	2,252.1
	%	11.2	11.1	11.1	9.9
Italy	000's	3,132.9	3,072.6	3,033.1	2,972.4
	%	13.7	13.5	13.3	13.0
Netherlands	000's	804.2	796.5	797.5	862.7
	%	14.1	14.0	14.0	15.1
Belgium	000's	619.4	605.4	617.8	601.7
	%	15.0	14.7	15.0	14.6
		Dec '84	Nov '84	Oct '84	Dec '83
Japan	000's	1,454.0	1,510.0	1,590.0	1,430.0
	%	2.6	2.7	2.8	2.6

Source (except U.S., Japan): Eurostat.

Thailand cancels industrial projects

By Boonsong k'Thana in Bangkok

THE THAI Government has abandoned a long-delayed joint project by the Association of South East Asian Nations (Asean) to build a large rock-salt, soda-ash plant in Thailand and has shelved plans for a $2.5bn (£2.1bn) integrated steel complex.

The decisions, taken last week by the Council of Economic Ministers, come as the Thai Government is adopting a range of austerity measures to repair the country's troubled economy.

Mr Ob Vasuratna, Industry Minister, said the rock-salt, soda-ash project was not feasible and that the country could not afford the steel plant.

The prospects for sufficient returns from the rock-salt, soda-ash project were too bleak in the face of limited markets, declining prices and cheaper supplies from Africa and Canada.

Mr Ob said the country's financial circumstances did not allow for the heavy investment required for the integrated steel plant, which was to be sited in Prachuab Khiri Khan province about 350km south of Bangkok with an annual capacity of 1.6m tonnes of flat steel.

Mr Ob said Thailand may propose other joint ventures with Asean in place of the rock-salt soda-ash project.

Thailand was to hold 60 per cent of the shares in the project, while Malaysia, Indonesia and the Philippines were to take 13 per cent each. The remaining 1 per cent was to be held by Singapore.

The two projects went through numerous reviews and studies by Thai and foreign experts

A recent study undertaken by a Japanese company, Unico International, suggested that the planned production of soda-ash be scaled down from 400,000 tons a year to 300.000 tons to make the project more economically viable

● Thailand has announced a sweeping revision in its merchandise taxation, including increases in Import tariffs on hundreds of items, ranging from electrical appliances to alcoholic drinks.

The tax package aims at reducing the country's huge trade deficit.

Officials said more than $240m in additional revenue is expected each year.

India to buy six advanced Airbuses

BY OUR FOREIGN STAFF

INDIA yesterday signed a contract to buy six advanced long-range Airbus A310-300s to replace its ageing Boeing 707s and South Korea was reported yesterday to be on the point of ordering three Airbus commercial jetliners.

Air India said in Bombay that the first of the six Indian aircraft would be delivered in April next year and the rest by the end of 1986.

The proposed South Korea orders coincide with the current visit to Seoul of M Laurent Fabius, the French Prime Minister, who flew to the Korean capital from Singapore during his tour of the Far East to promote French trade.

Mme Edith Cresson, French Foreign Trade Minister, said in Seoul that the sale, which had been frozen for three months by a diplomatic dispute between Paris and Seoul, could now restart.

Air India put the cost of the six Indian aircraft at around $442.5m (£368m) and said that the airline would use them on flights to Africa, the Far East and Europe.

● M Georges Vendryes, senior adviser to the French Atomic Energy Commission, said yesterday in Madras that France was willing to sell nuclear power technology to India, reports AP

He said India could buy the latest French pressurised-water reactors fuelled by slightly enriched uranium.

M Vendryes, who is leading a delegation of French nuclear scientists to India, was quoted by the Press Trust of India as saying: "India need not shy away from pressurised-water reactors. France would ensure uninterrupted supply of enriched uranium for a long time."

Decisions on gas pipeline expected soon

BY JOHN ELLIOTT IN NEW DELHI

After nearly nine months of delays the Indian Government is expected soon to reach key decisions about contracts for supplying and laying a 1,718 km natural gas pipeline across the country from the West coast near Bombay to points near the country's northern border with Nepal.

The Government has to decide whether to award the work in a series of piecemeal contracts for supplying and laying various sections of the $1.2bn (£1bn) project or to award one turnkey contract. The pipeline will feed gas to six new fertiliser plants.

Snamprogetti of Italy, part of the ENI group which is well established in India, has been relentlessly arguing that it should be given a turnkey contract. This has deflected the Government from awarding piecemeal contracts on tenders invited in the middle of last year.

The situation is complicated by an aid offer of $220m from Japan designed to support tenders assembled by its Sumitomo and Marubeni trading houses for all the southern half of the pipeline, and an offer of $160m to $250m from the Italian Government for a Snamprogetti-led turnkey contract.

In addition the World Bank is offering up to $200m for the northern half of the pipeline. Other aid proposals include up to $60m from Germany.

Bids were submitted last year by steelworks companies and pipeline contractors from countries in Europe and South America and from Canada and Japan. The companies have reluctantly agreed several times to extend to periods of their tenders which expire next Tuesday unless they are extended again.

Now there are signs that the Government may make its choice on the type of contract within the next two or three weeks. A turnkey award would provide international project management expertise which is lacking in India, but would probably cause further delays if the Government decided to go for fresh turnkey tenders.

So far the Government has received—without having issued any invitation—a $736m turnkey offer from Snamprogetti with C. Itoh of Japan. This was reduced by $100m a few weeks ago. Turnkey proposals are also believed to have been submitted by a Franco-Japanese consortium, Spie-Cabag Toyo, and by a Canadian consortium of Majestic Contractors and Nova, both of Alberta, which has linked up with Larsen and Toubro of India.

Although there are strong political pressures for a turnkey award, support for piecemeal contracts is coming from the officials of the Petroleum Ministry and from the Gas Authority of India (Gail), an offshoot of the Oil and Natural Gas Commission, which wants the prestige of managing the project.

Front runners for winning piecemeal contracts for supplying some of the pipes, which range from 36 inches diameter to 18 inches, includes: NKK and other Japanese steelworks led by the Sumitomo trading house, Intergras of Brazil, and various European companies including Mannesman and Bergrohr of Germany. Other companies including British Steel also submitted bids for some of the pipes.

An Indian company, Dodsal of Bombay, is believed to have submitted the lowest bids for contructing the pipeline in four sections, although it will not be awarded all the work. Higher prices were submitted by a Japanese consortium including NKK and led by the Marubeni trading house.

The original lowest construction bid, submitted by Hyundi of South Korea, was disqualified on various counts.

SHIPPING REPORT

World routes tie-up aims to cut surplus

BY ANDREW FISHER, SHIPPING CORRESPONDENT

THE WORLD shipping industry has long been plagued by the problem of over-capacity. Last week, a quiet one in tanker and dry cargo markets ahead of Easter, saw evidence that some owners are trying to tackle the surplus.

In the liner (scheduled cargo) sector, Barber Blue Sea owned by Ocean Transport of the UK, Wilhelmsen of Norway, and Transatlantic of Sweden — linked up with Nedlloyd of Holland and the ScanCarriers consortium to rationalise container and roll-on/roll-off services and reduce its losses.

This long-rumoured tie-up on world routes is designed to make better use of the companies' vessels through partial integration of services, including those between the U.S. and Middle East

The agreement should reduce, though not immediately eliminate, the post-interest losses of Barber, which took delivery last year of three big combined ro-ro and container ships from South Korea.

Last week saw much activity in the shares of Ocean, which also owns a third of Overseas Container Lines (OCL), a major UK operator on Europe-Far East routes. P & O, owner of nearly 48 per cent of OCL, disclosed last week that it had an 8 per cent stake in Ocean.

What sort of changes, if any, in OCL's ownership, this presages remains to be seen. Certainly, P&O has given nothing away. But OCL has warned of the dangers of growing competition on Far Eastern routes.

Unlike tanker owners—as many as nine big tankers, including one 370,000 tonne monster were sold for scrap in March—operators of container ships tend not to scrap vessels, even when cargo carryings are inadequate.

"It seems unlikely that owners will be induced to lay up tonnage as a remedy for coping with overtonnaging." said Containerisation International magazine in its yearbook. World ports' container traffic grew nearly 12 per cent in 1984. While over-capacity is growing on Far Eastern and Atlantic routes, only 3.5 per cent of the world container fleet is laid-up.

Of the VLCCs and ULCCs (very large and ultra large crude carriers) sold last month, Fearnleys, the Oslo shipbroker, said five went to Taiwan for demolition.

Rolls-Royce signs Chinese sales deal

By Michael Donne, Aerospace Correspondent

ROLLS-ROYCE, the UK aero-engine manufacturer, has signed a Memorandum of Understanding with the China National Aero Technology Import and Export Corporation for a major growth in sales of aero-engines to China and co-operation in aero-engine technology.

The memorandum was signed by Mr Dennis Jackson, director of Corporate Strategy and International Affairs for Rolls-Royce, during the recent UK trade mission to China led by Lord Young. The memorandum has only just been revealed by Rolls-Royce.

It is regarded by the company as opening the way for an "enormous" potential for Rolls-Royce business in China. It covers civil aircraft engines and industrial engines for power generation, and oil and gas pumping sets.

Rolls-Royce is already examining with China a possible future partnership in a multi-million pound joint venture to market several of the company's products there.

The company already provides Spey industrial engines for the Nan Jing power generation project, while Spey 202 engines are being built under licence in China at Xian.

The company says that "talks with China are a continuing process

Reuter adds from Peking: China signed at the weekend an accord with Italy that could boost arms sales to the Chinese and provide training in advanced weapons systems.

Sig Giovanni Spadolini, the Italian Defence Minister, signed the pact with his Chinese counterpart Zhang Aiping in the "Mutual Pleasure" traditional courtyard at Peking's State Guest House.

The framework accord, which Western military attaches said was the first such Chinese agreement with a Western nation, calls for China to buy a wide range of Italian military equipment but does not commit Peking to specific arms deals.

AP adds from Athens: Greece and China agreed at the weekend to increase their trade volume by $50m in 1985, the Greek National Economy Ministry said.

Total volume of Greek-Chinese trade will reach $108m in 1985 from $58m in 1984.

UK NEWS

Barry Riley on a new venture at the London Stock Exchange

Helbert Wagg's ambitious return

THIS MORNING the firm of Helbert Wagg will move back on to the floor of the London Stock Exchange as market-makers after an absence of some 70 years.

Absorbed many years ago into the merchant bank J. Henry Schroder Wagg, but relaunched last year as a new broking firm, Helbert Wagg will today open what is described as "a very small pitch" staffed by four people.

For the time being, the firm will trade only in foreign equities. It is launching what is claimed to be the first floor-trading international dealing venture independent of an existing jobbing (or market-making) firm.

The full title of the broking business set up by the Schroder group last year is Helbert Wagg, Anderson Bryce Villiers, and this firm is teaming up with its associate Schroder Securities to form a stock exchange international dealer called HW Schroder Securities International.

It will develop the existing market-making activities of Schroder Securities in Hong Kong stocks and also in selected continental European securities.

International dealers are permitted by the stock exchange to trade in so-called "dual capacity" – that is, a single firm can act as both market-maker and broker in foreign securities. Dual capacity trading in UK-listed stocks is prohibited, however, and will continue to be until rulebook changes are implemented about October 1986.

According to Mr Nick Roditi, managing director of Schroder Securities, the main aim of the move is "to acquire market-making skills in our business prior to moving over to dual capacity in London stocks."

Schroder believes it is already one of the two biggest market-makers in Hong Kong stocks in London. Following the recruitment of three jobbers from Wedd Durlacher, led by Mr Ron Thurlow, a specialist in Scandinavians, it will also trade in leading Scandinavian stocks and one or two Dutch stocks including Robeco. An extension to other continental – especially West German – securities is intended.

In the longer term Schroder Securities' ambitions are also focused on the UK market where it aims to be a committed market-maker straddling perhaps a dozen major sectors.

Schroder is investing more than £1m in systems which could support about 100 traders, salesmen and analysts. Already, its securities business employs about 60 people in London, with 32 in Hong Kong and 12 in Tokyo where it has applied for branch status.

Executives say the aim in London is to be "as big as the market." According to Mr John Anderson, joint managing director of Helbert Wagg, key members of five broking teams – each consisting of dealer, salesman and analyst – will have been recruited by the end of this month.

Present plans call for six teams to be in place by the end of 1985 and to be doubled up to 12 by the end of 1986. They will cover 60 per cent of the equity market in terms of market capitalisation.

Once the rules of the stock exchange are reshaped there will be no need for the present rather artificial separation of Schroder Securities and Helbert Wagg.

Mr Nick Roditi claims that recent developments have fully justified Schroder's decision to set up a securities trading business in London rather than to buy existing stock exchange firms, as many other banks have done.

He says: "We remain extremely pleased that we decided to start our own business. We are not at all unhappy with the way things are going at the moment."

Telegraph to seek finance from City

By Lionel Barber

THE DAILY TELEGRAPH newspaper is to seek funds from the City of London to help pay for two new printing plants in London and Manchester costing about £100m.

The fundraising will be via a private placing of shares, although the company stressed yesterday that ownership of its two national newspapers – the Daily Telegraph and Sunday Telegraph – would remain with the present newspaper trust controlled by the Berry family. Additional money will come from leasing arrangements on the two printing plants.

The company declined to give further details, but newspaper industry observers speculated that the group would have to create a new company to offer shares to bypass the group's trust status.

According to the company's latest results to March last year, the Daily Telegraph group produced pre-tax profits of £6m on turnover of more than £125m. In the previous three years, the group lost a total of £7½m.

Unlike many of Britain's other national newspaper groups, the Daily Telegraph is not controlled by broadly-based conglomerates such as Mr Rupert Murdoch's News Corporation (Times Newspapers), Mr "Tiny" Rowland's Lonrho (The Observer) or Associated Newspapers and its oil interests (Daily Mail). Its only outside interest is a stake in London Weekend Television, though like other newspapers it benefited from windfall profits from its share of Reuters news agency which went public last year.

Circulation of both the Daily Telegraph and Sunday Telegraph has slipped in recent years and the papers have stuck to their somewhat conservative design. Between the first and second half of last year average circulation of the Daily Telegraph fell from 1.259m to 1.235m while the Sunday Telegraph fell from 737,000 to 713,000.

Mr Hugh Lawson, deputy managing director, said the group intended to spend £75m on a new printing works in the East End of London, with a further £25m on a second plant in Trafford Park, Manchester, where the papers' northern editions would be printed.

He said that the company had reached agreement with the two print unions – the NGA and Sogat '82 – on manning levels for the London works. Negotiations were still continuing in Manchester.

At present, the Telegraph's northern editions are printed at Withy Grove, Manchester, under contract by the International Thomson Organisation. But Thomson is pulling out at the end of the year, leaving more than 800 print workers redundant.

Mr Lawson said photocomposition training in London would start next month with the first pages produced by this method appearing in August. The company plans to have four web offset colour printing presses running by November next year, with a further four installed in May 1987. The Manchester printing presses would also be web offset.

Teachers' pay dispute set to be protracted

BY DAVID BRINDLE

LEADERS of the National Union of Teachers said yesterday that members would be told to resist any move by Sir Keith Joseph, Education Secretary, to impose pay-related teacher assessment.

The announcement, at the union's annual conference, further reduced the chances of any early settlement of what seems set to be a protracted dispute over teachers' pay in England and Wales. Selective strikes have already disrupted classrooms.

With separate disputes in Scotland and in polytechnics and colleges of further education, the issues of the relatively-depressed pay levels of more than 500,000 teachers and lecturers looks likely to remain high on the political agenda.

Over 11,000 protest against cruise base

FINANCIAL TIMES REPORTERS

MORE than 11,000 supporters of the Campaign for Nuclear Disarmament (CND) took part in a protest yesterday outside the Molesworth air base in Cambridgeshire against the proposed siting of cruise missiles there.

An estimated 1,000 had arrived the previous day and camped overnight on a 10-acre plot of Ministry of Defence (MoD) land, 200 yards from the perimeter fence of the base. Many slept in the open, although heavy rain had turned the site into a quagmire.

Over 1,000 police were on duty, as well as a large contingent from the MoD. Road checks were set up on the country lanes leading to the base. MoD surveillance helicopters circled overhead and police lined the perimeter fence.

Over 20 arrests were made and further arrests were believed to have been made after attempts to cut the wire perimeter fence were reported. Police said that the demonstrators were "generally well behaved."

The organisers had hoped for a turnout of about 20,000. Mrs Joan Ruddock, chairman of CND, said: "This is only the start of our presence here at Molesworth." CND planned to maintain a constant presence at the base until after the arrival of the cruise missiles in three years' time, she added.

Monsignor Bruce Kent, general secretary of CND, said he hoped the rally would show that CND was capable of respecting farm crops and not damaging people's property. Hundreds of stickers have appeared in villages near the base with the slogan "Locals say CND go home."

Brokers attack budget

BY OUR FINANCIAL STAFF

MR NIGEL LAWSON'S "budget for jobs" is unlikely to cut unemployment, according to a report by UK brokers Simon and Coates, published today.

The report criticises the Chancellor of the Exchequer for relying on tax cuts rather than public spending to reduce unemployment. It also finds little evidence to support the Treasury's assumptions that tax cuts will lower pay deals and increase output and employment.

The authors – Mr Gavin Davies and Mr David Metcalf – propose a package of measures which they claim would cut unemployment by 750,000.

They propose a new subsidy for the private sector to take on more people; an extension of the Community Programme into social services; improving the job sharing scheme; and limited extensions to the Enterprise Allowance and Community industry schemes and Youth Training Scheme.

The authors claim that such measures would involve a net increase in the public sector borrowing requirement of only about £2,000 a person – five times cheaper than the next most cost-effective measure.

A separate view by stockbrokers Phillips and Drew is more optimistic. It says the budget has set the scene for a better economic outlook for the UK, with only a small increase in inflation and less pressure on the pound.

Tax burden, Page 8

Whitbread's expansion to U.S. starts with courtroom fight

Carla Rapoport in London reports on a British brewer's problems in the U.S. Additional research by Kevin Done in Stockholm.

"IF THERE IS anyone to blame, it is us. Our corporate credibility in the U.S. hangs on the outcome of this case, both within the company and outside it," said Mr Lionel Ross, finance director of Whitbread, Britain's third largest brewer.

Only five months after announcing what looked to be a wise U.S. acquisition, Whitbread is trying hard to wipe the egg off its face. The company launched three separate lawsuits over the purchase. Even so, the lawsuits cannot erase the fact that Whitbread's $110m U.S. acquisition of Buckingham Corporation has been disappointing.

Despite the outcome of the suits, Whitbread is unlikely to regain the two important product franchises it believed it was buying. It is for this reason that Whitbread is seeking punitive, as well as actual damages, against a former executive and legal counsel of Buckingham and the owners of the two brands in question, Baron Philippe de Rothschild and Oy Alko, the Finnish state monopoly.

"We can't claim to be babies on business things," says Mr Ross, "but it is difficult to see how we could have done things differently."

Whitbread was backed up by a senior firm of New York lawyers, Skaddenarps, Slate, Meagher and Flom, a merchant bank, Goldman Sachs, and Ernst and Whinney, the international accountancy firm.

None the less, the deal went wrong within days of the purchase last November. According to court documents filed in New York, Mr Karp, senior vice-president of Buckingham, resigned from the group on November 30 of last year, four days after the purchase of Buckingham from Beatrice, the Chicago-based food group.

According to Whitbread, no amount of money or inducements could persuade Mr Karp to change his mind. He then became a consultant to the French and Finnish groups, but at meetings between Whitbread and the two brand owners, Mr Karp rarely attended. "We knew then something was wrong; it was too pat," said Mr Ross.

Whitbread is now alleging, on the basis of documents it has discovered under court authority from the French and Finnish companies and Mr Karp, that the three parties had planned to break away once the sale was completed.

This break-away from Buckingham could only have occurred following the firm's sale to a new owner. Under the agreement with Beatrice, the firms were locked into lengthy distribution agreements with Buckingham unless the group was sold. In Oy Alko's case, the contract with Buckingham ran until 1991.

Whitbread was fully aware of this risk when it was negotiating to buy Buckingham. "We knew they had the right to leave Buckingham once the company was bought by us, but they led us to believe they would stay," said Mr Ross.

"We thought they might go, but wine and vodka are not logical bedfellows," says Mr Ross. "And Mouton Cadet is making money as a brand, Finlandia is not. Then you have the Finnish personality and the French. It didn't seem to be a natural thing." Further, he added, that brand owners like stability in their distribution networks, which bolstered Whitbread's belief that the two brands would choose to stay with Buckingham.

But, according to the court documents, Mr Karp is alleged to have been discussing the possibility of a joint venture with the French and Finns as early as July, 1984. At a meeting in Biarritz, in August, Mr Karp presented proposals on a new U.S. sales and marketing company to executives from Alko and Rothschild.

On August 24, Mr Karp's attorney incorporated Principal Imports Ltd in the U.S. At a subsequent meeting on October 2, 1984 in New York the three parties reviewed a memorandum of understanding drafted by Mr Karp's attorney. This stated that Mr Karp would resign, become a consultant to the Finnish and French groups, and, as soon as possible, enter into a joint venture agreement to distribute Mouton Cadet wines and Finlandia Vodka in the U.S.

During this period, Whitbread alleges that Mr Karp was "double-dealing" by arranging a competitive business to the company which employed him. Mr Karp was unavailable for comment last week. Rothschild declined to comment on the matter, but Alko was not so reticent.

"Whitbread definitely knew we were negotiating with other firms in order to find a satisfactory solution," said Mr Paul Forsius, commercial director of Alko in Helsinki. "Buckingham had tried to press Alko to get an answer and we did not give any positive hint that we would."

Buckingham's remaining product franchise is Cutty Sark, the premium whisky. The number three premium whisky in the U.S., Cutty Sark has also been losing market share recently, according to Edinburgh based stockbrokers, Wood Mackenzie.

Whitbread executives are not shy about admitting that their $110m acquisition had only $14m in net tangible assets, with a significant portion of the goodwill now much diminished in value. But Mr Ross adds: "We're not down on America. Things like this can happen anywhere."

U.S. aircraft maker to buy hi-tech group

BY PETER MARSH

APPLIED RESEARCH of Cambridge, a small computer-aided design company, is likely to be purchased by McDonnell Douglas, the U.S. aerospace giant, in a deal due to be finalised over the next few weeks.

Mr Daniel Chapchal, Applied Research's managing director, said that the agreement would inject new investment into the company and make available the American parent's marketing expertise.

As a result of the takeover – which is for an undisclosed sum and which has to be approved by Applied Resarch's 80 or so shareholders, half of them employees of the company – the enterprise plans to increase its sales of computer software in the U.S., where McDonnell Douglas currently distributes its products.

Applied Research was formed in 1969 by Mr Ed Hoskyns, the company's chairman and biggest shareholder, who was working in the architecture department of Cambridge University. After the takeover, Mr Hoskyns will take up a position in international marketing at McDonnell Douglas's headquarters in St Louis.

Sales of the 120-strong company, which specialises in computer programs to aid mapping and the design of buildings, totalled £6.6m in 1984-85.

Applied Research is one of several small Cambridge companies that has come into U.S. ownership over the past few years. Cambridge Consultants, which does contract research for big companies, was taken over by Arthur D. Little of Boston.

Shape Data and CIS, two other specialists in computer-aided design, became part of Evans and Sutherland, based in Salt Lake City, and Computervision, one of the world's dominant companies in computer software for engineering.

Applied Research explored other possibilities besides acquiring a U.S. parent when it realised it needed more funds for expansion. But British companies interested in buying the Cambridge concern did not have the marketing muscle in computer software to make such a deal practicable.

McDonnell Douglas is making a big effort to gain expertise in computer systems to help in automated factories.

Austin Rover faces difficult times for new model launch

John Griffiths examines Austin Rover's prospects after its recently announced link with Honda

DRAWING on a total of £2.3bn ($2.76bn) in aid from the UK Government, Austin Rover ammassed a band of new models to fire into car markets starting with the Metro in 1980. They are all but used up. And yet the reluctantly state-owned manufacturer remains far wide of its target.

The last of Austin Rover's major new models, before it is required to begin the cycle of replacing the Metro, Maestro and others is the XX Executive car developed jointly with Honda and due for launch next spring.

Even with the XX the numbers show few signs of adding up to a fully viable long term future for Austin Rover on its own, based on the company's present performance.

It needs a sales volume of 600,000 to 650,000 units a year to have a secure future, in the sense of being able to make profits and fund itself for the heavy investments which will be required to develop the technologically sophisticated models needed for the 1990s.

This year, it hopes to increase its UK market share to at least 20 per cent and increase exports from last year's 80,000 to at least 110,000. It had hoped to achieve a similar performance in 1984 particularly given the launch of the Montega fleet saloon. Instead, it ended last year with total sales of 425,000 and an operating loss of £26m.

Even if its hopes are realised this year, it would be looking at about 350,000 sales in the UK which with 110,000 in continental Europe would still leave it far from the 600,000 level.

In the first year of production output of the XX is expected to be no more than 25,000 plus 5,000 of the HX variant it will build for Honda. These figures should climb substantially when the company makes its re-entry to the north American market with the XX in 1987.

However, barring the sales upsurge which so far has failed to materialise, it appears that it will be two to three years before the company can hope to see sales and output rise much above 500,000 units. In these years high investment is needed if the group is not to lose competitiveness.

In those circumstances it is not hard to see why, amid much secrecy, over the past few weeks, Austin Rover has been seeking to take its collaboration with Honda onto an altogether higher plane. It involves Honda's use of Austin Rover's considerably underutilised capacity of 750,000 cars a year to assemble its own cars for sale in Europe and the joint development of a medium sized car, effectively a replacement for the Maestro.

The advantages for Austin Rover are very clear cut. Almost at a stroke it could be earning revenue by assembling Honda's cars as well as enabling its assembly plants to operate above the high utilisation levels needed to recover the fixed costs imposed on modern car facilities by automation and robotics.

It would gain, at half the cost, a long term competitive model in the medium sector, which is Europe's most important and accounts for about 60 per cent of all sales.

But, as the XX is expected to show, the overall effect of such collaboration could well prove greater than the sum of its parts. Honda has already acquired a sufficient reputation for its engineering to have acquired the nickname of "Japan's BMW"; equally, it has learned much from Austin Rover about space utilisation, packaging and styling.

Nor is the move totally one-sided. Mr Dan Jones, senior research fellow at Sussex University's Science Policy Research Unit and co-author of Massachusetts Institute of Technology's "Future of the Automobile" study points out, "Honda has also learned a lot from Austin Rover even about engines. There is still an awful lot of talent in that organisation."

Engines are not least of Austin Rover's problems. It cost about £150m to bring a new one into production. A complete new engine and transmission is needed for the Metro replacement.

Consortium bids for Scottish shipyard

BY ANDREW FISHER, SHIPPING CORRESPONDENT

A FIRM BID for the Hall Russell shipyard in Aberdeen, up for sale under the government's privatisation programme, has been made by a Scottish business consortium in the face of strong doubts about the yard's future workload.

The three directors who had bid for another small yard, Brooke Marine in Lowestoft, Suffolk, should know today whether their efforts have been successful, when Lazards, the merchant bank, makes its recommendation to British Shipbuilders. The price for this yard is likely to be just over £2m.

The Yarrow warship yard on the Clyde has just been sold to General Electric Company for £34m and Swan Hunter on the Tyne was put up for sale a few days ago. The Government wants the sale of the BS naval yards to be completed by April 1986.

The bid for the Aberdeen yard, believed to include a cash element of up to £750,000 – about £250,000 above the initial offer which was regarded by the Government, Lazards and state-owned BS as too low – was put in last Thursday.

The consortium bidding for Hall Russell, now running out of Ministry of Defence work, is led by Mr Ross Belch, former managing director of the Scott Lithgow Yard on the Clyde, and Mr Iain Sproat, the former UK Minister and Conservative MP who failed to get voted back into the House of Commons at the last election.

It is backed by Scottish financial institutions and advised by Guidehouse, a London investment house. The consortium feels the price of the yard should reflect its declining order level, with work on the last of three naval salvage vessels worth £7m just starting.

Prosper de Mulder criticised

By Maurice Samuelson

THE PRICING practices of Britain's leading collector of animal waste have been strongly criticised by the Monopolies and Mergers Commission.

It found that a monopoly existed in the industry, with the Prosper de Mulder group (PDM) supplying about 44 per cent of animal waste, and that the group's pricing policy was contrary to the public interest both over purchase of waste from abattoirs and for contracts to operate the gut-rooms, where abdominal material is sorted and recovered.

It recommended that Prosper de Mulder should not take on gut-room contracts without first establishing a reasonable expectation that it would derive a profit from them.

British abattoirs produce about 13m carcases a year which, in 1982, gave rise to about 1.2m tonnes of waste excluding hides and skins. The commission puts the value of rendered products in 1982 at about £100m.

It found that a striking feature of the industry was the disparity in size between PDM, which processed 500,000 tonnes of raw animal waste in 1982, and the other large companies, none of which processed as much as 100,000 tonnes.

In tonnage terms, PDM was clearly the dominant company with a market share approaching 50 per cent in 1982, compared with 6 or 7 per cent for the next biggest company.

The commission's criticisms of PDM applied both to the prices it paid for waste material and to the prices it paid abattoirs to operate their gut-rooms. In both cases, the commission found that when faced with loss of supplies, PDM attempted to secure or recover them by a price campaign aimed mainly at particular competitors, regardless of whether the prices paid or offered would involve it in losses. This was likely to restrict competition in rendering or in gut-room operation.

Although the commission found no current cases of such pricing for material for rendering, it said there was a "current problem" over gut-room contracts

Report on the Supply of Animal Waste in Great Britain, Monopolies and Mergers Commission (HMSO), £8.40.

UK NEWS

David Fishlock looks at proposals to control vivisection

Plan to tighten animal tests

THE GOVERNMENT plans to introduce shortly a revised White Paper (policy document) on the "sacrifice" – the scientists' own terms – of animals in the cause of medical research. It will update the Cruelty to Animals Act 1876, which outlawed vivisection, the "cutting up alive" of animals in the name of science.

It will tighten control over experiments liable to cause an animal pain, by requiring not only the scientist but the proposed experiment to be licensed by the Home Office.

The scientist will have to show that his experiment is likely to lead to new understanding about how living things work, or about the saving of life or of suffering.

The new Act will also safeguard experimental animals against risks of severe and prolonged pain.

But for some critics of animal experiments, and of the use of animals in routine product safety testing, nothing short of complete abolition will suffice.

The methods with which some "animal liberation" groups are prepared to pursue abolition has seriously worried the pharmaceutical industry, as well as medical science more generally.

In Switzerland, one of the world's centres for the development of medicines, they are trying to introduce a Bill abolishing all animal experiments.

Switzerland is the headquarters of research by three big multinational drug companies – Hoffmann-La Roche, Ciba-Geigy and Sandoz.

The drug industry is adamant that it cannot continue to develop new medicines without animal experiments, nor meet legal requirements on testing without demonstrating their safety in animals.

The threat, however, both to the industry and to individuals whose property and persons have been attacked by masked maranders has persuaded the industry to level with the public and lessen the secrecy surrounding its use of animals. MPs and journalists, for example, are being invited by companies to see the conditions under which animals are kept and used, and whether they bear relation to the horror pictures and stories circulated by abolitionists.

The Association of the British Pharmaceutical Industry, the leading trade association for the industry in the UK, has just opened a Whithewall based body called the Animals in Medicines Research Information Centre. AMRIC speaks specifically for "ethical" drugs – not over-the-counter medicines

Its work is guided by a steering committee of research managers headed by Dr Brian Newbould, research director of ICI pharmaceuticals division.

ICI, with a sprawling, unfenced research campus at Alderley where investigation is costing £108m this year, is one company which finds its property highly vulnerable.

Wellcome Research Laboratories is another. Both ICI and Wellcome have a strong interest in veterinary as well as human medicines, and they have recently formed a joint venture, Coopers Animal Health. But this has not saved them from assault.

One night in January, eight senior Wellcome researchers suffered attacks on their homes and cars by people claiming to speak for "animal rights." Sir John Vane, Wellcome's research director, had a firebomb thrown at his garage.

According to Wellcome, which spent £97m on drug research last year over half the animals sacrificed last year were needed to control the quality of its products. Vaccines, for instance, are tested on animals both to gauge potency and to ensure that they will not induce the very disease they are meant to prevent.

Sir John is sure that the search for new medicines cannot continue without animal experiments.

Nevertheless, while the research and development budgets of major drug houses like ICI and Wellcome have been expanding rapidly, the total number of UK animal experiments for all purposes has fallen quite dramatically in the past decade. From nearly 5.4m experiments in 1977, it fell to 3.6m by 1983.

Tax burden on lower-paid rises despite cuts

BY PETER RIDDELL, POLITICAL EDITOR

WORKERS on average earnings or below will still pay more of their gross wages in income tax and national insurance contributions in 1985-86 than when the Conservatives came to power in 1979, despite the tax cuts of the past three years.

A series of recent parliamentary written answers to three Labour MPs, Mr Sean Hughes, Mr Jeff Rooker and Mr Jack Straw, shows that the reduction in taxation since 1982 has had only a small impact on the take-home pay of the lower paid.

For instance, a single person on half average earnings will pay 26.1 per cent of gross earnings in deductions in 1985-86. This compares with a peak of 27.3 per cent in 1982-83 but is up from 23.6 per cent in 1978-79.

The tax burden of a single person on five times average earnings has increased slightly in relative terms in the past two years to 45.3 per cent, but this is still well below the level of 52.2 per cent in 1978-79.

The real take-home pay of all groups has risen since 1979 thanks to the faster growth in wages than prices, but there has been a marked increase in the inequality of distribution.

A single person on half average earnings has seen take-home pay rise by just under a tenth in real terms. But someone on five times average earnings has enjoyed an increase of nearly 30 per cent and a single person on 10 times average earnings has had a 65 per cent boost in take-home pay. This difference is only partly explained by the cut in the higher rates of income tax. The trends are broadly similar for married couples.

A further Treasury written answer shows that the total tax burden has risen by £29bn in real terms at constant 1985-86 prices since 1978-79. The estimated total yield of taxes, local authority rates (property taxes) and national insurance contributions is expected to be £138bn in the new financial year.

The biggest increase since 1978-79 has been in revenue from North Sea taxes, up £12.4bn in real terms, with taxes on expenditure up £11.8bn, local authority rates £2.8bn higher, and employees' national insurance contributions £4.4bn up.

The yield from income tax is expected to be £400m lower in real terms with no change in non-North Sea corporation tax.

Retailers to 'shun Sunday trading'

By David Churchill

ONLY about a fifth of Britain's town centre shops are likely to open seven days a week if the Government presses ahead with plans to enable retailers to open when they wish.

This is the main finding of a survey of about 40 large retailers carried out by Mr Terry Burke of the Polytechnic of Central London. It suggests that if Sunday trading becomes lawful – most forms of it are at present illegal in England and Wales – fewer retail groups than expected will open every day.

Mr Leon Brittan, the Home Secretary, is expected to make clear within the next few weeks the Government's intention to introduce legislation to end restrictions on shop hours.

The polytechnic study, one of the few independent investigations of retailers' intentions, found that most large retailers were cautious about Sunday trading.

"They will only do so if they consider it likely to be profitable or as a reaction to competitive pressures and fears of loss of market share," Mr Burke says.

"There is, however, a significant minority positively looking forward to Sunday trading albeit on a selective basis."

Mr Burke believes that, based on the survey responses, between 15 and 20 per cent of town shopping centres and almost all out-of-town shopping centres will adopt Sunday trading. "In addition, there will be a small number of isolated single store openings and widespread selective seasonal openings," he suggests.

This pattern of Sunday opening by retailers is broadly in line with the experience in Scotland, where Sunday trading has been lawful for many years.

Mr Burke's study concludes that most small shops would probably be unaffected by Sunday trading. "Only the most marginal and inefficient of small shops within the catchment areas of those centres committed to Sunday opening are likely to be disadvantaged."

Domestic coal market 'intact'

By Maurice Samuelson

THE DOMESTIC coal market has emerged intact from the miners' strike despite the higher prices consumers had to pay for imported fuel, say two reports published this week.

A survey in January and February, carried out on behalf of the Solid Fuel Advisory Service, is said to have found that 98 per cent of customers had not been deterred from burning coal and that they intended to carry on using solid fuel.

It also showed that only 20 per cent of users experienced any problems from the strike and that those concerned mainly the type and quality of coal rather than lack of supply.

Similar findings are reported today by the Domestic Coal Consumers' Council from a survey carried out for it in mid-February. Less than a third of homes had trouble obtaining coal during the winter.

NatWest forecasts job gains

BY DAVID LASCELLES

THE UK should be able to sustain its recent rise in output and create more jobs, according to Lord Boardman, chairman of National Westminster Bank. In the bank's annual report, published today, he says high unemployment "remains a matter of deep concern."

More small and large businesses, he said, were producing competitively the goods and services that sold on world markets. If this momentum was sustained, "the gain in employment and national prosperity will be considerable."

NatWest claims to be the largest supporter of small businesses in the UK, with £5bn in loans to them.

NatWest's report reveals that it has £795m in loans to Mexico.

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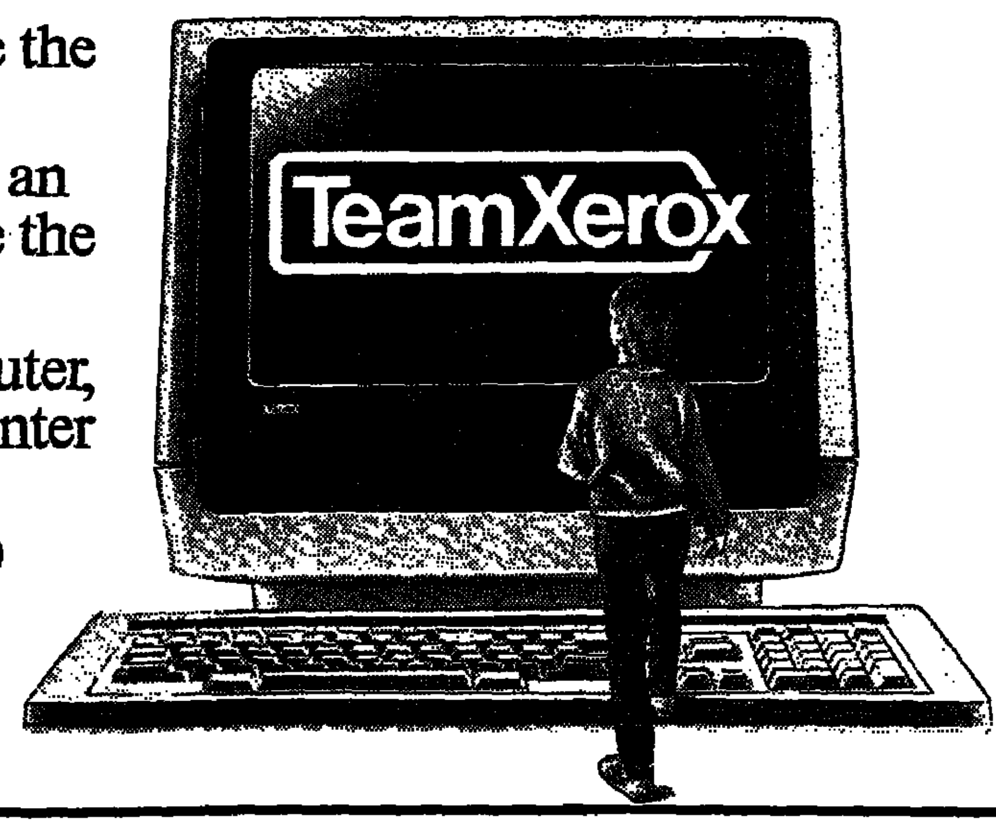

LATIN AMERICAN DEBT

Venezuela: why oil is the key

by Michael Reddish

VENEZUELA, the only Latin American country to reschedule its foreign debt without the constraints of an IMF stand-by loan, is praying that a further fall in oil prices will not upset its economic recovery plans.

Oil accounts for over 90 per cent of Venezuela's exports and the healthy state of its foreign currency reserves, which presently stand at over $13bn. These in turn have allowed the country to reschedule its $34bn foreign debt without recourse to fresh borrowing or externally imposed austerity measures.

Last September, Venezuela's creditor banks agreed to reschedule $20.75bn of public sector debt over 12½ years at 1⅛ percentage points over the London Eurodollar rate with no IMF strings attached.

The two sides have virtually completed work on a detailed termsheet and the government expects to begin signing rescheduling contracts by mid-year.

According to Venezuela's five-year plan for 1984 to 1989, the profile of debt payments will allow for annual growth of 2.5 to 5.5 per cent over the next four years after a 1.7 per cent decline in the gross domestic product (GDP) last year. Growth of 2 to 3 per cent is officially predicted for 1985.

However, OPEC's decision last October to cut production to 16m barrels per day (BPD) forced Venezuela to shave 120,000 BPD off its own production, which is now reduced to 1.6m barrels per day. And a $1.75 per barrel cut in Venezuela's light crude prices last February sent shivers down the back of economic planners.

Energy Minister Arturo Hernandez Grisanti said this move will reduce export earnings by up to 50 cents from last year's average of $26.70 per barrel.

Together, the price and production cuts have forced the Government to cut its forecast of this year's oil income by $800m to $13.9bn. But President Jaime Lusinchi's Social Democrat administration has said this will not affect the budget, partly because last year's oil income of $15bn was above target anyway.

Even before the threat of lower oil revenues loomed, the trade unions and leftwingers within Senor Lusinchi's Democratic Action (AD) party had begun complaining that Government austerity measures were hindering a reflation of the economy.

"If the present economic policies are maintained and we exceed ourselves in the stabilisation which was necessary . . . next year will be terrible," planning Minister Luis Matos Azocar warned in December. A few weeks later, he resigned from the Government.

But while trade union pressure for wage rises and more expansionary policies is growing, relations with the Government remain friendly and there have been no major strikes.

Senor Lusinchi has avoided across-the-board pay rises by raising the minimum wage and introducing fringe benefits for lower paid workers, such as a monthly transport allowance and the provision of factory canteens.

The President has also established a Prices and Incomes Commission to control the price of essential goods and adjust the minimum wage in line with rising costs.

But the Government has also made clear that it expects the standard of living to improve through a reduction of unemployment rather than an increase in real wages.

The Government says unemployment was 13.2 per cent at the end of last year, although Venezuela's Trade Union Confederation (CTV) puts the figure at over 20 per cent. However, President Lusinchi had always billed 1984 as a year of economic consolidation, during which no growth was expected.

The Government concentrated on putting public sector finances in order and rescheduling the foreign debt, which had remained on ice in 1983 due to presidential and parliamentary elections in December that year.

The shadow of elections also led former President Luis Herrera Campins to freeze prices, despite a 75 per cent devaluation of the official exchange rate and a 131 per cent depreciation of the bolivar on the free market in 1983.

As Senor Lusinchi allowed many overdue price rises to filter through last year, inflation more than doubled to 18.3 per cent. But tight control of the money supply kept inflation from moving higher. A side effect of this policy was to dry up bank liquidity and hinder private investment.

More hefty price rises are in the pipeline since the Government is committed to abolishing a concessionary exchange rate for the import of essential foodstuffs by the end of this year—but inflation is targeted at 17 per cent.

Dr Jaime Lusinchi

The February 1983 devaluation has generally benefited Venezuelan industry and agriculture, which were previously unable to compete effectively with imported goods. In addition, import licensing and exchange controls have provided a new form of protection for Venezuela's manufacturing industry, which grew 2.8 per cent last year.

Most factories were able to expand production rapidly by using up idle capacity and some sectors boomed. The textile industry took on 20,000 new employees and worked flat out to satisfy local demand, while other sectors, such as footwear and ceramics, began to export.

They were able to take advantage of a free market exchange rate of about 13 bolivars per dollar, up from a fixed parity of 4.30 two years ago.

The combined effects of devaluation, exchange controls and import licensing have halved Venezuela's imports, which fell from $13.6bn in 1982 to 6.8bn in 1983 and 7.2bn last year.

But although the Venezuelan middle class is being forced to drink less whisky and pay more for its video recorders, there have been no serious shortages and imports are expected to remain around the $7bn mark in 1985.

Exports, dominated by oil, have remained fairly steady, falling from $16.5bn in 1982 to $14.8bn in 1983, but picking up to $16.2bn last year. In 1984, Venezuela recorded a balance of payments current account surplus of $4.4bn—$2bn higher than expected.

However, the country still enjoys a moratorium on public sector principal, in force since the debt crisis erupted just over two years ago.

Once the rescheduling agreement is firmly in place later this year, Venezuela will make a $750m down payment, followed by annual maturities of about $4.5bn from 1986 to 1991, after which they will decline.

Final agreement on the termsheet is being held up by Government delays in completing the registration of $6bn-$8bn of private debt, 85 per cent of which had been processed by the end of March.

According to present plans, Venezuela's medium term economic development will no longer be based on capital intensive projects requiring large foreign loans which characterised the oil boom of the 1970s. Instead, the Government is aiming to develop manufacturing industry and Venezuela's long neglected agriculture. Recently, it called for foreign investment in both these areas.

The only major public sector project still under way is the 9,000 megawatt Guri hydroelectric dam on the Caroni River, which will generate 60 per cent of Venezuela's electricity upon its completion in 1986.

The Government is planning to borrow $1.4bn from the World Bank and Inter-American Development Bank over the next two years to finance this and other projects. But there are no plans for an early return to borrowing from commercial banks.

The Government aims to bring 1m hectares of new farmland into production and improve 500,000 hectares of existing croplands over the next 10 years to reduce a food import bill of about $2bn per year. At the same time, it hopes that a rapid growth in manufacturing industry and housing construction will bring down unemployment.

The idea is that industry should expand by replacing imports at home and developing new export markets, especially in Latin America and the Caribbean. Non-oil exports, mainly comprising steel, aluminium and chemicals, are projected to grow 25 per cent to $1.5bn this year after a 70 per cent increase in 1984.

The opposition Christian Democrat Party (COPEI)—still divided and weak after its 1983 election defeat—takes little issue with the broad outlines of Government economic policy. Within the Government, the main debate is over how much can be spent on reactivating the economy without running up new deficits or fuelling inflation.

In the end, much will depend on the international oil market. Few bankers doubt that Venezuela will be able to honour its debt rescheduling agreement, but if oil prices continue to decline, there may not be much fat left to finance growth.

Notice of Redemption and Termination of Conversion Rights

Galveston-Houston International Finance N.V.

8% Convertible Subordinated Guaranteed Debentures Due 1994

NOTICE IS HEREBY GIVEN that pursuant to the provisions of the above-described Debentures and of the Indenture dated as of December 15, 1979 under which the Debentures were issued, Galveston-Houston International Finance N.V. has elected to redeem all of the outstanding Debentures on May 15, 1985 (the "Redemption Date"), at the redemption price of 101% of the principal amount thereof, together with accrued interest of $33.33 per $1,000 principal amount of Debentures (the "Redemption Price").

On the Redemption Date, the Debentures shall become due and payable upon presentation and surrender thereof together with all unmatured coupons appertaining thereto (a) at the **Corporate Trust Office of Citibank, N.A., Receive and Deliver Windows, 111 Wall Street—5th Floor, New York, NY 10043,** or (b) subject to any laws or regulations applicable thereto at the main offices of Citibank, N.A. in Amsterdam, Brussels, Frankfurt/Main, Geneva, London, Paris, and Zurich, the main office of Citicorp Bank (Luxembourg) S.A. in Luxembourg and the main office of Swiss Bank Corporation in Basle. The Redemption Price shall be made in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts and shall be made at the option of the holder at the offices referred to in (b) above by check drawn on, or transfer to a United States dollar account maintained by the payee with a bank in the City of New York.

Interest on the Debentures will cease to accrue on and after the Redemption Date.

The Debentures to be redeemed may be converted at the option of the holder, at any one of the offices referred to in (a) or (b) above, into Common Stock of Galveston-Houston Company upon presentation and surrender of said Debentures with all unmatured coupons attached, at any time until the close of business on said Redemption Date, at the conversion rate of 38.4615 shares of Common Stock per $1,000 principal amount of Debentures. ON SAID REDEMPTION DATE SUCH CONVERSION RIGHTS WILL TERMINATE AS TO ALL DEBENTURES. Upon conversion of any Debenture, no adjustment shall be made on account of interest accrued or dividends and no fractional shares of Common Stock will be issued.

Dated: April 9, 1985

GALVESTON-HOUSTON INTERNATIONAL FINANCE N.V
By: CITIBANK, N.A., TRUSTEE

NOTICE

Withholding of 20% of gross redemption proceeds of any payment made within the United States is required by the Interest and Dividend Compliance Act of 1983 unless the Paying Agent has the correct tax identification number (social security or employer identification number) or exemption certificate of the Payee. Please furnish a properly completed Form W-9 or exemption certificate or equivalent when presenting your securities.

UK NEWS

INSURANCE

Two deals highlight a Lloyd's paradox

BY JOHN MOORE, CITY CORRESPONDENT

TWO DEALS last week by Sedgwick Group, Britain's largest independent insurance broker, highlighted an apparent paradox in the Lloyd's insurance market.

On Tuesday the group announced that it was to merge with Fred S. James, the U.S. insurance broker owned by Transamerica Corporation, the San Francisco conglomerate.

In the £533m merger, which will be achieved through Sedgwick issuing its own shares, Transamerica will own 29 per cent of the voting shares and 39 per cent of the enlarged equity of the Sedgwick Group.

A significant proportion of Transamerica's business is accounted for by its life insurance and property and casualty insurance operations through its Transamerica Occidental Life Insurance Company and Transamerica Insurance Company.

Transamerica Insurance's distribution system includes 3,900 employees and 6,900 independent agents across North America. Its revenue last year was $914m (£763m).

Transamerica Occidental Life ranks among the top ten of the more than 2,100 life and health insurers in North America. Last year it reported operating income of $90.3m on revenues of $2.4bn, and Life had $1.39bn of life insurance in force at the end of last year. Its distribution system includes 5,100 employees and 4,900 agents in sales offices in the U.S., Canada, Britain and Australia.

Moreover, through Fred S. James, which it acquired in 1982, Transamerica controls another Lloyd's broker, Wigham Poland.

Twenty-four hours after announcing the proposed merger Sedgwick announced that it was disposing of Three Quays Underwriting Management, one of its underwriting agency interests at Lloyd's to Cater Allen, the discount house, in a £2.4m deal.

Three Quays Underwriting Management runs the affairs of 2,500 underwriting members at Lloyd's and is responsible for insurance capacity of £100m.

It was ironic, therefore, that as a group with significant insurance company interests was forging a close shareholding link with a leading Lloyd's broker, the same broker was, by law, required to sever its shareholding links with an agency at Lloyd's which runs an insurance unit within the market.

Like all Lloyd's insurance brokers, Sedgwick is obliged to divest itself of shareholding links with agencies at Lloyd's which run the insurance syndicates, into which all members of Lloyd's are grouped, by mid-1987.

The divestment provisions are enshrined in an Act of Parliament, passed in 1982, which gave new self-regulatory powers to Lloyd's. Parliament insisted on the provisions because it had identified potential and actual conflicts of interest which existed in the colse relationship of brokers with underwriting agencies.

Yet, in 1966, conflicts of interest were identified by Lloyd's itself in the possible ownershp of brokers by insurance companies.

When the Excess Insurance Company sought to take over Lloyd's broker C. E. Heath, the ruling authorities of Lloyd's, led by Sir Henry Mance its chairman, argued that if a broker was acquired by an outside insurance company there would be a danger of the broker getting and giveing preferential treatment in the placing of insurance business. Lloyd's felt that any interest held by insurance groups in brokers should be limited to 20 per cent.

The matter has been reviewed since and became a topical issue nearly two years ago when the St Paul Companies of Minnesota, a large property and casualty insurer, raised its stake in Minet Holdings, another large Lloyd's insurance broking group, to 25.98 per cent.

Although Lloyd's had relaxed its earlier ruling to 25 per cent, Lloyd's was sufficiently reassured by the U.S. group that it only intended to remain a minority shareholder and therefore allowed the stake to be run up beyond the 25 per cent limit.

The Fred S. James-Sedgwick deals shows that Lloyd's is relaxing further the 20-25 per cent rule allowing the participation of outsiders.

However, the move is likely to put pressure on the Lloyd's authorities to come up with new by-laws for the management and control of Lloyd's brokers. The market is divided over whether outside insurance groups should have a direct involvement in broking activities, particularly in the light of the divestment legislation.

When the big U.S. brokers first started to forge closer links with the London market in 1978, Lloyd's attempted to prevent outside brokers holding more than 20 per cent shareholdings in Lloyd's brokers.

It was argued that it would be difficult to maintain the necessary degree of regulatory control and establish jurisdiction over those firms which were owned by non-Lloyd's insurance interests.

Market pressures forced Lloyd's to give way and allow U.S. brokers to take 100 per cent control. Since then, and with the enactment of the new legislation, Lloyd's has been attempting to draw up rules which would enable it to maintain regulatory and disciplinary control over the brokers.

Other groups with large underwriting interests are also making inroads into the Lloyd's broking community. For instance, Combined International Corporation, a U.S. speciality insurer, mainly selling supplemental accident and health and life insurance policies, owns Rollins Burdick Hunter, a U.S. broker which has a long-standing correspondent relationship with C. E. Heath in the London

The trend is not all one way. Marsh and McLennan, the world's largest insurance broker, has divested itself of its underwriting links arguing that the underwriting function does not fit comfortably with the work of the insurance intermediary.

Decision time for rate rebels

Andrew Arends on why more Labour councils seem likely to set a legal budget

WHEN Mr Patrick Jenkin, the Environment Secretary, announced in July that 18 councils in England would have their rates "capped" this year to control spending, the 16 Labour-controlled authorities on the list vowed not to comply.

Yet, a week into the 1985-86 financial year, more than half the rate-capped councils, including the Greater London Council have settled and approved legal budgets and rates.

Of the 16 Labour councils, eight have remained defiant and have "deferred" setting a rate.

However, last week's court decision that Hackney Borough Council must indicate its willingness to set a legal rate by April 16 or face a judge's order compelling it to do so, has meant it is decision time for councillors.

They must either decide to continue refusing to set a legal rate, and risk expensive court proceedings, surcharge and bankruptcy, or even conceivably prison sentences, or toe the line.

In the wake of the Hackney decision, its leader Ms Hilda Kean said "setting a legal rate now would mean unacceptable cuts in services and a loss of jobs." Moreover she reaffirmed the council's budget of £118m for 1985-86, about £26m above the legal limit permissible under rate-capping.

Ms Kean would not say whether the council would obey Mr Justice Woolf's decision. In spite of local trade union support for total defiance, the ruling Labour group is split. With seven Liberal members on the council, a majority in favour of a legal budget is possible.

In Lewisham, last week, the minority Conservative group voted to set a legal rate after demonstrations by trade unionists in the council chamber drove the Labour mayor into his room.

Mrs Peggy King, leader of the Tory group, said: "On the spur of the moment we decided to go ahead without the Labour councillors and passed our budget."

Of the remaining rate-capped councils, Camden, Greenwich, Southwark, Haringey and Sheffield have deferred setting a rate indefinitely.

Islington voted to defer setting a rate at its council meeting on March 28, but it has received legal advice that it cannot justify not setting a rate after its next council meeting on April 23 without risking surcharge.

In Lambeth, the council decided to defer on the casting vote of the mayor.

All are borrowing in the London money markets against future rate payments in order to fund spending.

These councils claim they are seeking further negotiations with the Government. However, Mr Kenneth Baker, local government Minister, said in the Commons last week: "I hope this period of illegality will now come to an end."

INSTITUTO NACIONAL DE INDUSTRIA

US$150,000,000

Floating Rate Notes due 2000

Notice is hereby given that the Rate of Interest for the first Interest Sub-period of the Interest Period ending on 9th October 1985 has been fixed at 9$\frac{11}{16}$% per annum. The amount payable for the first Interest Sub-period will be US$248.04 in respect of the $10,000 denomination and US$6200.95 in respect of the US$250,000 denomination and will be payable together with the amount for the remaining Interest Sub-period of the said Interest period on 9th October 1985 against surrender of Coupon No. 3.

Manufacturers Hanover Limited
Agent Bank

NOTICE OF REDEMPTION

To the Holders of

QUEENSLAND COAL FINANCE LIMITED

("The Company")

Guaranteed Floating Rate Notes Due May 1996 ("The Notes")

NOTICE IS HEREBY GIVEN, that the following Notes of the Company indicated below, in the aggregate principal amount of U.S. $8,870,000 have been drawn for redemption on May 9, 1985 (the "Redemption Date") at a Redemption Price (the "Redemption Price") of 100% of the principal amount thereof.

SERIAL NUMBERS OF NOTES CALLED FOR REDEMPTION

1	2340	5153	7593	10782	13586	16592	19428	22092	24609	26786	29602	32597
8	2375	5167	7730	10829	13738	16650	19548	22204	24640	26884	29633	32601
73	2397	5231	7866	10847	13763	16710	19561	22256	24688	26910	29636	32635
79	2432	5326	7886	10878	13785	16827	19562	22262	24753	26915	29658	32684
129	2453	5447	7930	10898	13794	16896	19578	22327	24771	26955	29685	32756
191	2500	5456	8016	10960	13893	16917	19678	22347	24788	26959	29745	32787
199	2514	5477	8139	10986	14079	16922	19712	22464	24796	26962	29805	32957
239	2518	5496	8146	10989	14118	16923	19738	22530	24849	26998	29834	32964
246	2557	5534	8168	11024	14170	16995	19852	22543	24900	27024	29858	32969
291	2570	5542	8207	11025	14174	17078	19855	22590	24930	27058	29875	32983
316	2600	5582	8208	11067	14180	17108	19868	22595	24978	27105	29945	32995
321	2653	5655	8211	11080	14218	17118	20034	22600	24982	27167	29953	33012
324	2718	5663	8216	11086	14253	17165	20078	22617	24989	27170	30010	33104
363	2765	5773	8221	11090	14275	17189	20104	22777	25000	27263	30019	33129
372	2777	5855	8377	11207	14284	17235	20133	22824	25025	27297	30088	33269
456	2788	5856	8398	11259	14335	17278	20177	22841	25026	27322	30118	33373
463	2791	5867	8458	11311	14356	17313	20194	22876	25048	27396	30148	33385
511	2917	5910	8585	11323	14357	17420	20220	22893	25077	27458	30166	33386
538	2930	5923	8594	11324	14382	17521	20224	22898	25096	27510	30196	33471
649	2939	5954	8620	11341	14443	17538	20255	22928	25129	27518	30205	33489
703	2989	5986	8788	11405	14468	17607	20380	22967	25142	27521	30218	33497
724	2982	5994	8797	11427	14499	17664	20388	22998	25143	27523	30252	33641
729	3016	6023	8849	11522	14539	17667	20429	23059	25438	27579	30253	33719
746	3046	6050	8854	11561	14707	17788	20467	23067	25441	27592	30279	33776
784	3064	6053	8880	11627	14759	17850	20485	23097	25460	27599	30338	33906
788	3111	6096	8918	11740	14768	17876	20489	23120	25477	27617	30651	33944
810	3137	6110	8928	11808	14781	17924	20649	23123	25490	27631	30698	34014
863	3168	6150	8935	11847	14843	17992	20741	23127	25541	27751	30747	34049
888	3219	6244	8997	11892	14850	18011	20775	23133	25607	27803	30867	34100
927	3245	6260	9052	11969	14916	18054	20792	23167	25671	27838	30916	34105
970	3294	6284	9095	12042	14967	18070	20806	23270	25740	27846	30923	34134
1052	3319	6323	9139	12067	14976	18109	20809	23319	25745	27848	30936	34187
1093	3478	6327	9143	12134	15003	18136	20818	23323	25785	27924	31014	34195
1106	3480	6374	9153	12156	15019	18157	20884	23358	25806	27937	31066	34260
1110	3501	6449	9173	12271	15038	18214	20927	23384	25818	27952	31092	34264
1114	3536	6453	9280	12298	15042	18219	21048	23435	25857	28064	31097	34286
1127	3602	6463	9326	12312	15224	18226	21108	23436	25863	28112	31108	34295
1143	3615	6492	9400	12333	15246	18240	21118	23465	25897	28134	31188	34369
1205	3653	6508	9429	12402	15293	18305	21127	23474	26000	28158	31232	34420
1289	3684	6538	9452	12424	15314	18356	21130	23539	26023	28193	31248	34446
1301	3852	6547	9482	12437	15370	18379	21138	23591	26079	28199	31300	34477
1405	3878	6595	9485	12510	15493	18408	21151	23657	26096	28206	31371	34495
1413	3904	6605	9508	12575	15544	18435	21169	23661	26101	28223	31375	34533
1477	3921	6670	9542	12593	15601	18477	21177	23708	26144	28254	31456	34534
1543	4009	6717	9552	12658	15643	18512	21212	23778	26149	28353	31479	34573
1647	4070	6738	9711	12697	15714	18565	21248	23855	26152	28362	31500	34628
1682	4098	6747	9734	12702	15726	18674	21278	23903	26169	28444	31504	34920
1688	4135	6807	9751	12714	15838	18678	21282	23907	26240	28501	31547	34958
1733	4259	6842	9859	12718	15899	18694	21287	23939	26256	28509	31644	35066
1750	4338	6843	10031	12858	15926	18703	21290	23981	26265	28535	31695	35070
1777	4361	6882	10037	12861	15947	18726	21325	24024	26273	28571	31708	35078
1821	4390	6925	10106	12919	15978	18773	21394	24050	26274	28593	31743	35205
1841	4473	7007	10109	12958	16043	18786	21429	24085	26283	28605	31781	35291
1845	4520	7060	10111	13044	16046	18798	21476	24133	26321	28684	31838	35318
1873	4524	7145	10115	13049	16068	18807	21494	24172	26348	28693	31839	35375
1881	4555	7159	10132	13070	16082	18872	21511	24193	26364	28739	31973	35418
1941	4637	7189	10223	13114	16117	18908	21551	24216	26382	28769	32073	35434
1958	4710	7197	10241	13174	16120	19033	21580	24224	26391	28771	32141	35444
1967	4763	7206	10262	13178	16134	19081	21612	24250	26438	28892	32158	35483
1993	4766	7220	10336	13221	16143	19090	21619	24284	26439	28982	32185	
2049	4808	7280	10371	13277	16190	19094	21729	24346	26521	28995	32210	
2098	4862	7297	10475	13283	16195	19107	21745	24364	26603	29067	32367	
2185	4883	7358	10517	13295	16238	19120	21749	24382	26616	29138	32431	
2214	4898	7457	10521	13352	16263	19176	21798	24383	26676	29186	32484	
2237	4997	7488	10592	13380	16290	19181	21801	24483	26689	29198	32505	
2244	5036	7501	10629	13408	16351	19194	21862	24501	26733	29330	32541	
2276	5068	7540	10661	13455	16385	19198	21966	24505	26756	29446	32562	
2296	5113	7558	10735	13459	16538	19328	22019	24540	26769	29585	32584	
2335	5131	7587	10774	13564	16549	19402	22044	24602	26773	29598	32588	

Payment of the Redemption Price will be made upon presentation and surrender of the Notes called for redemption, together with all coupons appertaining thereto maturing after May 9, 1985, on or after May 9, 1985 at the Corporate Trust Office of The Bank of Tokyo Trust Company in New York City, 100 Broadway, New York, N.Y. 10005 or at the principal office in the city indicated of any of the following Paying Agents: The Bank of Tokyo, Ltd. in London; The Bank of Tokyo, Ltd. in Brussels; The Bank of Tokyo (Luxembourg) S.A. in Luxembourg.

From and after the Redemption Date, interest on the Notes to be redeemed will cease to accrue. Interest on coupons maturing on May 9, 1985 will be paid in the usual manner at the specified office of any Paying Agent other than the Paying Agent in New York City. After the Redemption Date, Notes in the aggregate principal amount of U.S. $346,130,000 will remain outstanding.

QUEENSLAND COAL FINANCE CO., LTD.
By: The Bank of Tokyo Trust Company as Principal Paying Agent

Dated: April 9, 1985

April 8, 1985

NOTICE OF ADJUSTMENT OF CONVERSION PRICE TO THE HOLDERS OF 8¾% CONVERTIBLE SUBORDINATED DEBENTURES DUE 1995 OF TRANSCO INTERNATIONAL N.V.

Notice is hereby given to the holders of the 8¾% Convertible Subordinated Debentures due 1995 (the "Debentures") of Transco International N.V. ("TINV") that:

The conversion price for the debentures has been adjusted from $62.40 down to $60.72. The effective date for the adjusted conversion price is April 1, 1985.

The facts upon which such adjustment is based are contained in the Officer's Certificate, a copy of which is filed at each office or agency maintained for the purpose of conversion of debentures and is available for inspection by holders.

This adjustment in the conversion price of the debentures is being made as a result of the Transco Energy Company dividend policy in which Transco distributes quarterly one-sixteenth (1/16) of a unit of Transco Exploration Partners, Ltd. per share to its common stockholders in addition to a regular quarterly cash dividend.

**TRANSCO ENERGY COMPANY
HOUSTON, TEXAS
USA**

Businesses For Sale

Office Furniture Manufacturers
Bradford

The assets and business of Sunbridge Furniture Limited are available for sale as a going concern.

Principal features comprise:

- turnover approaching £500,000 per annum
- up-market range of wooden filing cabinets and desks
- wood-working plant and machinery
- skilled workforce of approximately 30 employees

For further details please contact the joint Receivers:
A.J. Richmond and J.G. Ridings
Peat, Marwick, Mitchell & Co.
City Square House
7 Wellington Street
Leeds LS1 4DW.
Telephone: (0532) 450331 Telex: 557794.

PEAT MARWICK

Bicycle Manufacturer and Distributor
Newtown, Powys.

The joint Receivers and Managers of Coventry—Eagle Cycle and Motor Company Limited wish to sell the Business Assets of the Company.

The Company operates from a modern factory of 40,000 sq ft in Newtown, Powys manufacturing and selling Touring and Racing Bicycles under the trade names of "Coventry Eagle" and "Clements".

The annual turnover for the year ending 31st January 1985, was in the region of £2M.

Further information can be obtained from David Wilton or Stephen Hall, PO Box 6 Eagle Cycle Works, Mochdre, Newtown, Powys SY16 4LD, Tel 0686-28800 Telex 35521.

Or from the Joint Receivers and Managers Tim Rees or Richard Smart, Tel 0222-44191/498109.

Deloitte Haskins+Sells
16 Cathedral Road Cardiff.

Aldwark Manor Ltd.

The Joint Receivers offer for sale the business assets and goodwill of the above company which operates as a country house hotel and conference centre in Alne, near York.

The Manor, set in 35 acres of land adjoining the River Ure, includes:

- Several large function rooms, lounges and bars;
- Restaurant;
- Staff quarters, seminar rooms and outbuildings;
- 25 bedrooms;
- Nine-hole golf course.

It may also be possible to include fishing rights in the sale.

For further details please contact:
Peter Flesher at THORNTON BAKER
Leofield House, 116, Cardigan Road
Leeds LS6 3BL
Tel: 0532 744733 Telex: 557362

Thornton Baker

BUSINESS FOR SALE

or working partner. I have a superb speciality service business based in S.W. London. Turnover in excess of £½m with miles of scope for expansion.

Principals only write Box G10653, Financial Times 10 Cannon Street, London EC4P 4BY

Electrical Control and Distribution Engineers
Leicester

The Joint-Receivers offer for sale the assets and goodwill of this company specialising in the manufacture of ASTA certified LT distribution boards, control centres and systems, together with AMF equipment. Turnover year to 31st December 1984 was £1.02 million, approximately 50% was exported. Assets include freehold premises, stock, fixtures and fittings, equipment and motor vehicles. For further details contact: The Joint-Receivers and Managers, John Twigg and Maurice Withall, Thornton Baker, P.O. Box 87, 30 Hounds Gate, Nottingham NG1 7DH. Tel: 0602 476333.

Thornton Baker

JOINERY FACTORY FOR SALE

5,000 square feet approx.
WEST MIDDLESEX

Fully equipped with machines and extractor plant. Lease at low rent to be negotiated. Premium required for machines etc.

Write Box G10544, Financial Times 10 Cannon St, London EC4P 4BY

A CHANCE TO INVEST IN A REAL GROWTH INDUSTRY

Dynamic health food company showing substantial turnover increase each year now for sale owing to present owners other commitments.

Enquiries from Principals only to:

M. Tarrant
COGHLAND & CO.
Ref MFT
Davis House, 59/77 High Street
Croydon CR0 2RE

INVESTMENT SHARE COMPANY FOR SALE

Assets all quoted on Stock Exchange

Approximate value: £100,000

Please contact:
Malcolm Davis & Company
Solicitors
01-892 1232

FOR SALE

LICENSED BUSINESS TRAVEL AGENCY

Business Travel Agency seeks institutional shareholder with £1m to invest. Ideally the investor should have at least £750,000 to £1m of their own business travel expenditure per annum. All enquiries in confidence to Box G.10615, Financial Times, 10, Cannon Street, London, EC4P 4BY

MINI BUSINESS for sale. Manufactures quality home products in Suffolk. Turnover c £35,000 with minimal marketing. Trading profitably. Real opportunity for someone with little capital. Phone 01-370 0766.

A company wishes to cash its assets
NO TAX LOSSES FOR DISPOSAL

Please write Box G10655, Financial Times 10 Cannon Street, London EC4P 4BY

FROZEN FOOD FACTORY

Situated Boston, Lincs, newly equipped factory 7,750 sq ft complete with fridges, chillers, blast freezer, etc. Good office accommodation. Suitable variety of uses.

QUICK SALE REQUIRED

RING 0704 48444 L. DENHOLM FOR DETAILS

CIVIL ENGINEERING BUSINESS FOR SALE

Small well known Civil Engineering business based in the West Midlands is for sale. Turnover approx £1m with gross margin circa £120,000. Excellent client list.

For further details apply Box G10645 Financial Times 10 Cannon St, London EC4P 4BY

MANUFACTURING COMPANY FOR SALE

HOME COUNTIES

£2½m turnover

This company, making and selling industrial components in rubber, is profitable and well managed.

Principals only apply to:
Box G10635, Financial Times 10 Cannon St, London EC4P 4BY

BEVERLEY ENGINEERING GROUP

Offers are invited by the Joint Receivers for the business and assets of this specialist engineering group.

- Manufacture the Beverley Thermal Fluid Heater—sold for use in the food processing, chemical, and textile industries.
- Manufacture the Beverley Incinerator range—pollution free waste combustion and heat recovery systems used by industry, local authorities and hospitals.
- Other activities include manufacture of pipeline coating and shot blasting equipment.
- Turnover of approximately £2 million includes substantial export trade.
- Current order book of approximately £1 million.
- Manufacturing/office accommodation on freehold site of 2.6 acres located Billingshurst, W. Sussex (designated for general industry use). Could be available separately.

Further information from J. P. Richards or M. P. Fillmore

Touche Ross & Co.
TOUCHE ROSS & CO.
Hill House, 1 Little Street, London EC4A 3TR
Tel: 01-353 8011 Telex: 261064

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THE MANAGEMENT PAGE: Small Business

EDITED BY CHRISTOPHER LORENZ

Venture factory

West Berlin fuses corporate and academic life

BY JONATHAN CARR

IT LOOKS a big jump, psychologically as well as geographically, from California's Silicon Valley to a century-old red-brick factory hard by the Berlin Wall. But a dozen or so American "high tech" entrepreneurs and venture capitalists who made the trip recently found a lot surprisingly familiar to them.

More than 30 small German businesses active in fields like data processing, robotics and production technology have set up shop in the factory over the last 18 months. Others are pressing to move in. The building owed its construction to Germany's industrial revolution (it began life as a production site for switches, lamp fixtures and the like) and is now coming in handy for a technological one.

The initiative for the new development came from Berlin's Technical University, which with its 3,000 scientists and 26,000 students needed more space for research. It acquired the vast and desolate factory complex in 1979, refurbished it and rented out part of the 30,000 square metres of floor space to young entrpreneurs. The Senat (city government) weighed in with help too, conscious of the urgent need to rejuvenate the Berlin economy and create jobs.

So the Berlin Centre for Innovation and New Enterprises (BIC) was born. Besides providing space, it offers communal office, conference and administrative services crucial to businesses with a handful of staff struggling to get started. The university also actively promotes contacts with its research institutes now sharing the same complex.

Most of the Americans, who toured the centre while attending a high technology conference in Berlin, were enthusiastic. Several praised the drive of the entrepreneurs and the quality of the projects (no sign of "Eurosclerosis" there!). The visitors were also astonished to find such close co-operation between academic life and business. They were used to that in the U.S., for example between Stanford University and Silicon Valley companies, but had not expected it in Germany.

They were right not to, because in this as in many respects Berlin is not wholly representative of Germany. As one half of a divided city 100 miles behind the East German border, with virtually unique political and economic problems, West Berlin has to make special efforts to survive. It thus often plays a vanguard role for West Germany as a whole—and the initiative of its technical university and Senat to create the innovation centre is one sign of this.

True, rigid attitdues to "high tech" and entrepreneurship are changing throughout West Germany—but big problems remain. Four main ones emerged as the Americans swapped ideas with their German hosts at the Berlin conference, organised by the Aspen Institute, a privately-financed U.S. organisation.

The first obstacle is a lack of German experience in "financial engineering" for the benefit of small companies. A few years ago it might well have been claimed that the chief problem for young entrepreneurs was simply lack of cash. The big banks were reluctant to put up loans for exotic-looking schemes in advanced technology fields, and there were almost no venture capital outfits available either.

> Still lacking is a tradition not just of providing start-up capital but of offering management advice and skills until the small company is firmly established and perhaps ready to 'go public'

That has changed. There are now about 30 venture capital organisations in West Germany (and Berlin) with some DM 700m (£190m) available for investment. The attitude of the banks is changing too, with Deutsche Bank Berlin playing a pilot role.

But still lacking is a tradition, not just of providing start-up capital but of offering management advice and skills until the small company is firmly established and perhaps ready to "go public." One American financier at the Berlin meeting pleaded with young German entrepreneurs present to "get more than money out of the venture capital outfits. You must insist on management help too, especially in marketing. You may have a technical wonder on your hands, but you've got to know where and how to sell it."

The difficulty is that the venture capital companies are only just starting to gain the necessary skills themselves. Several are backed by major German companies ready to help with advice. But young Germans trying to start up a business feel wary of forging links—however indirect—with "the giants." Better, they often feel, to struggle on alone rather than face the danger of being "scooped up" or "bought out."

This was the second major problem to emerge at the Berlin conference—and because it has beep psychological and historical roots it seems bound to take long to solve.

Germany has a long history of fiercely independent medium-sized businesses, often successfully run by the same families for generations. Most abhor publicity and reject the idea of of stock market listing even if they could well use extra funds, because they do not want shareholders interfering. This attitude is gradually changing and there are now more such companies "going public."

But the tradition of independence is still strong even among new founders of "high tech" businesses. The question is not just how much cash and advice is available for them, but how much outside influence they are ready to accept.

The third big problem is the stigma of failure in Germany. One rich young American entrepreneur at the conference rattled on about how he had founded three companies, how one had been a flop—and how he was now conquering big problems with his present one, he hoped. "My advice to you all is—think big and move fast," he smiled.

It was the kind of speech rarely heard in Germany, because the social and business environment is so different. The American's remarks indicated that if you fail in your first bid in the U.S. to set up a business, you often get credit for trying and for the experience gained as you try again. In Germany the shadow of a single failure tends to remain, dissuading potential future backers from making an "unsound" investment. This background is surely one reason why there are so few cases (so far) of "spin off," in which young employees desert the security of the larger German companies to set up on their own.

That point in turn relates to the fourth big problem—the role of the German universities and the lack of training in business administration. The Germans at the meeting listened with envy as an American, head of a venture capital company and also a part-time lecturer at Harvard, outlined the business courses available — including those on setting up new enterprises. "We have nothing like that," the head of one German university said wanly. "We provide good training to produce employees of high competence for big concerns. But we don't teach students to become entrepreneurs."

Several of the German non-academics present also complained about the lack of professional contact between business and industry on the one hand and the universities on the other. "There is really nothing to stop professors getting involved with industry like their American colleagues," a senior Berlin politician noted, "but up to now not a lot have wanted to." —

Equity funding and the 'Murphy factor'

A COMMON complaint among entrepreneurs almost everywhere is that venture capitalists are too cautious when it comes to financing start-up companies.

Ireland proves no exception, believes Tom Walsh, a former senior executive with the republic's Industrial Development Authority, who has left his former employer to set up a venture capital fund which aims to specialise in just that area.

Forty-two-year-old Walsh cut his venture capital teeth on the IDA's Enterprise Development Programme, which assists promising new projects with capital grants and guaranteed loans. More than 2,000 people are now employed in Irish firms set up under the scheme—but Walsh is convinced that a lack of genuine venture capital is leading to an over-reliance on debt. This is inhibiting small firms' growth, he argues, and lies at the heart of many failures.

Unlike some Irish ministers and analysts, Walsh does not entirely blame the banks for this state of affairs—"It is unfair to put them in the role of providers of high-risk capital." Nor does he believe there is a shortage of good projects. He says that existing funds prefer to finance second- and third-stage developments in successful firms, while very few venture capitalists are prepared to risk financing start-ups where promoters have limited capital of their own—a familiar problem in the UK.

"A lot of good projects crossed my desk at the IDA which were unable to be developed, and others failing through lack of capital," he says.

His experience is that promoters underestimate the difficulties of starting a new enterprise and typically need more money and time than they think. They also, says Walsh, ignore the "Murphy factor"—the unforeseen things that are bound to go wrong.

The fund, Equitas Business Development Fund, is just getting off the ground, but Walsh claims to have about 20 ideas on his files, six of which have been earmarked for further analysis.

The fund is designed to take advantage of the tax reliefs on investment in manufacturing and export-related service companies introduced in the Irish budget of January 1984. The scheme has not been a success to date, with investors complaining about its complexity and the difficulty of recovering the investment after the five-year qualifying period. Changes are said to be on the way, but Walsh argues that the answer is to devise funds which will get round the difficulties facing the individual investor.

Equitas is similar to one already established by the Irish branch of merchant banker Hill Samuel, to take advantage of the tax relief scheme. The main benefit from the investor's point of view is that the risk is spread and the fund managers can make arrangements for him to realise his assets after the five year qualifying period.

Walsh has joined forces with IDA colleagues Adrian Wrafter and Barry McGovern, and Chicago stockbroker Michael Flahive to form the fund. They had hoped to raise I£1.5m but the final figure is likely to be below I£1m. Walsh claims the general investment climate and a lack of awareness of how the tax relief works for the equity under subscription, even though Ireland's high tax rates mean an investor could purchase I£25,000 in shares for a net cost of I£8,750.

They have had better luck in talking to the institutions about a larger fund, the Venture Capital Fund, which would use institutional money for the same purposes. This fund is likely to exceed I£2m when it closes shortly.

Walsh foresees an average investment of around I£150,000 with the emphasis on new enterprises and first-stage expansions. This would usually amount to about 25 per cent of capital which, with the IDA grants and the promoters' money, would reduce borrowings to 30 per cent of total capital.

Walsh stresses the high risk nature of such investments, although membership of a fund at least makes it easier to realise a capital gain after the five years. But he argues that, despite all the talk, there is still no real source of venture capital in Ireland

Brendan Keenan

In brief . . .

THE Scottish Enterprise Foundation, a private and public sector partnership which provides education and training for small business advisors, is to launch a new information service next month.

Entitled Information Update, it will be a news sheet designed to offer anybody connected with the Scottish small firms scene with a regularly updated flow of useful facts. These will include statistics, a diary of small business courses and events, and analyses of changes in government policy.

It will be produced by the foundation's Small Firms' Resource Centre, based at the University of Stirling. Details from Don Bathie, lecturer, University of Stirling, Stirling, FK9 4LA. Tel 0786 73171.

●

FINDING premises on flexible terms can be a major headache for small start-up ventures without the resources to commit themselves to long leases or complex financial guarantees.

Business Space Services, a commercial property developer, is offering what it feels is a solution to companies in the Swindon area. It has refurbished a 100,000 sq ft complex on the Cheney Manor trading estate, which is being broken up into business starter units from 500 to 5,000 sq ft, available on leases of between six months and three years.

Rental payments may be made monthly, and charges will be held steady for a year, with subsequent increases to be kept in line with the inflation rate.

There are also plans for central services like typing, photocopying and mechanical handling. A fifth of the space has always been let to local firms. Details from Michael Metcalf of Business Space Services on 0793 613456.

Small business abstracts

Purchasing as an information centre. P. Humphreys in Purchasing (UK), Dec 84 (1½ pages).

Argues that, especially in small companies, purchasing departments, which have to provide readily-accessible files on raw material supply, should expand their activities into general information services, covering— eg —currency movements, insurance policies, computer programs, and even management periodicals.

A documented business management programme. R. Buyers in Quality Assurance (UK) Sept 84 (7½ pages).

Describes in detail how the author responded to an invitation from an unnamed large, overseas electricity-supply utility to apply QA to its total organisation; concentrates on the preparation of business system manuals' that specify procedures (eg for obtaining tenders), management philosophy, organisation structures, and procedure/responsibility flowcharts; glances at applications to smaller businesses.

Managing high technology start-ups. G. Bickerstaffe and others in International Management Europe (UK), November 84 (8 pages)

Two related articles: (1) discusses management shortcomings in entrepreneurial ventures in the field of high technology; examines reasons why named companies failed to achieve expectations, pointing out that venture capital and enthusiasm are not enough, but that expertise in finance and sales/marketing are essential. Argues that inventors lacking management skills must learn to delegate to specialists, and names companies where successful mixes of skills have produced the above-average level of management high technology requires; (2) describes how Sir Clive Sinclair, after some initial setbacks, became a "businessman of the year" by leaving (or being persuaded to leave) most operations to a management team.

Women as entrpreneurs. J. White in Business Quarterly (Canada), Spring 1984 (3½ pages)

Reports on the apparently greater success enjoyed by women in establishing new businesses; pinpoints four areas deemed to have been crucial in these achievements: adequate researching into new ventures; use of professional advice; attending business-related courses; and initially low expectations of financial gain.

These abstracts are condensed from the abstracting journals published by Anbar Management Publications. Licensed copies of the original articles may be obtained at £3 each (including VAT and p+p; cash with order) from Anbar, PO Box 23, Wembley, HA9 8DJ.

FT COMMERCIAL LAW REPORTS

Digest of cases in the Hilary Term

CASES REPORTED FROM JAN 15 to FEB 8 1985

Williams & Humbert Ltd v WH Trade Marks (Jersey) Ltd and Others; Rumasa SA & Others v Multinvest (UK) Ltd and Others (FT, January 15)

In an endeavour to resist the Spanish Government's expropriation of his Rumasa group, Mr Mateos raised the defence that the UK actions were an attempt to enforce foreign expropriatory laws. Mr Justice Nourse held that the courts would not recognise such laws where they were so discriminatory on the grounds of race or religion that they constituted a grave infringement of human rights or where they discriminated against UK nationals in wartime by confiscating their foreign property. However, no authority supported the proposition that English law would not recognise laws which purported to confiscate the property of individuals or classes of individuals.

Mr Mateos's alternative submission that the court should not enforce the laws (even though it recognised them) was rejected on the ground that the plaintiffs were asserting rights to recover their own assets, title to which had already been perfected in Spain.

* * *

Mutual Shipping Corporation of New York v Bayshore Shipping Company of Monrovia (FT, January 16)

In calculating an award, the arbitrator inadvertently transposed the parties so that the charterers were ordered to pay money to the shipowners whereas in fact the shipowners owed the charterers money. The mistake emerged in the arbitrator's reasons which, the document stated, were not "to be used in connection" with the award. In upholding a decision that the award should be remitted under section 22 of the Arbitration Act 1950, the Court of Appeal said that even if the parties had agreed that the restricted reasons were not to be put before the court, such an agreement was void as purporting to oust the court's jurisdiction. Moreover the arbitrator's admission of his error was not a prerequisite for the court's jurisdiction to remit.

* * *

Excomm Ltd v Ahmed Abdul-Qawi Bamaodah (FT, January 18)

In a contract for the sale of wheat, a broker's note was signed by the sellers. The note incorporated Gafta form 14 which provided that any dispute should be referred to arbitration. The buyers never signed the note. A dispute arose over demurrage and an award of $217,924 was made in the sellers' favour. The buyers contended that there was no "written agreement" to arbitrate as stipulated by the Arbitration Act 1950. In allowing the sellers' appeal against an order setting aside the judgment, the Court of Appeal held an arbitration agreement need not be signed and that the statutory requirement was satisfied if there was a document in writing "recognising, incorporating or confirming" the existence of an agreement to submit to arbitration.

South India Shipping Corporation Ltd v The Import-Export Bank of Korea (FT, January 22)

The Import-Export Bank conducted its main business in Korea. However its London branch carried out preliminary work in relation to granting of loans as well as other subsidiary financial activities. The plaintiffs, who claimed $13m under two letters of guarantee, served a writ on the London office, contending that the bank had established a "place of business" in the UK for the purposes of the Companies Act. In upholding their contention, the Court of Appeal stated that it sufficed that the London office carried on subsidiary activities for the bank. Parliament had placed no qualification on the words "place of business" and there seemed no good reason why one should be implied.

* * *

The Almak (FT, January 23)

The master of the Almak, which was under subcharter, negligently signed a bill of lading that bore the wrong date. As a result, the purchasers paid more for their consignment of gas oil, the price of which was fixed according to the bill of lading date. Mr Justice Mustill held that the disponent owners (the time charterers) did not impliedly promise to take reasonable care that the bill of lading presented for signature bore the correct date. The real fault, he said, lay with the shippers who presented the misdated bill and set in motion the train of events which led to the purchasers' loss.

* * *

Bourne v Colodense Ltd (FT, January 25)

With the co-operation of his union, Mr Bourne brought a test case against Colodense for injuries allegedly sustained at work. Colodense won and costs were awarded against Mr Bourne. However, Colodense's order for a receiver to bring proceedings claiming indemnity against the union was discharged. The Court of Appeal held that although no express or implied undertaking had been given to pay Mr Bourne's costs, he was an elderly man, who had lost his job through ill-health and there must have been an understanding amounting, in law, to a contract, that the union would stand behind him in all circumstances and would discharge any liability that was within its powers.

* * *

Regina v Attorney-General, ex parte ICI (FT, January 29)

ICI unsuccessfully contended that the UK Government was providing "aid," in breach of the EEC Treaty, when for tax purposes it undervalued the ethane to be used by Esso and Shell, ICI's competitors. Even if the Revenue were to benefit the oil companies by adopting a wrong valuation, Mr Justice Woolf held, reliance on the treaty would not provide any remedy because no aid had been involved. However, ICI had sufficient interest to seek judicial review of the tax affairs of Esso and Shell, particularly in view of the evidence that the price the Government had fixed was below that which other users would have been prepared to pay for the ethane.

* * *

In re Applications by the Coca-Cola Company (FT, January 30)

The Registrar's decision to refuse to register the Coca-Cola trade marks, because they comprised the "non-distinctive device of a bottle" was upheld by the judge at first instance. On appeal to the Court of Appeal, Lord Justice Lawton said the decision was right with regard to the refusal to register the "bottle" and the "shape" on the grounds that they were not trade marks for the purpose of section 38 of the Trade Marks Act 1938. However it was wrong to adjudge that Coca-Cola bottles were not distinctive. The bottles distinguished the beverage in them from their competitors It followed that a line drawing of that shape was also likely to be distinctive. It was more than a line drawing of a basic bottle shape and was thus registrable.

* * *

Reed (Inspector of Taxes) v Nova Securities Ltd (FT, February 6)

In allowing an appeal in part by the Inland Revenue, the House of Lords held that the issue in the case was whether Nova Securities had acquired a West German bank's shares and bank debts from its parent company, Littlewoods, as "trading stock" for the purposes of obtaining group relief from corporation tax. An asset could only be described as having been acquired as "trading stock" where it was not only a kind which was sold in the ordinary course of the taxpayer's trade but also was acquired with a view to a profitable resale. Nova had acquired worthless shares, for which there was no commercial justification whatsoever, apart from an attempt to gain a fiscal advantage.

* * *

Tracomin SA v Gibbs Nathaniel (Canada) Ltd and Another (FT, February 1)

In granting Tracomin's application for the removal of an arbitrator under section 23 of the Arbitration Act 1950, Mr Justice Staughton said three points of importance emerged from the authorities in deciding whether there was a significant risk of bias ("imputed bias") on an arbitrator's part. First, the test was objective as to what a reasonable man would think of the arbitrator's conduct; secondly, the reasonable man formed his view with no inside knowledge or subsequent evidence but from appearances at the time; finally, as to the precise degree of probability needed to found a charge of imputed bias, the test of "real likelihood" of bias would be adopted in the present case. By sitting behind counsel for the opposing side and appearing to participate in instructing him, the arbitrator had met the test's requirements.

* * *

Re Westminster Property Group PLC (FT, February 8)

In a takeover bid for Westminster, Milbury offered Westminster shareholders the alternative of Milbury shares or cash. Mr Withers accepted the offer but before transfer was effected, the Secretary of State made an order imposing restrictions under section 174 of the Companies Act 1948. At first instance the judge held that the restrictions could not be lifted unless the relevant shares were to be "sold" within the statutory meaning and that "sale" denoted an exchange of property for cash only. The Court of Appeal upheld his decision and refused to accept that a definition of "sale" or "sold" included any bargain involving the transfer of shares for valuable consideration, whether or not it took the form of cash.

This digest of cases will be continued tomorrow.

By Aviva Golden

UK Electricity Supply

The National Grid, now 50 years old, developed from a plan that was fiercely attacked into a modern economic necessity.

System born in controversy

BY MAURICE SAMUELSON

THE ELECTRICITY industry could not have chosen a more opportune time to celebrate the National Grid's golden jubilee.

The ordinary consumer expects electricity to be available *at the flick of a switch* and usually has little interest in power stations—and even less in the miles and miles of boring pylons and cables which carry *power round the country*.

However, there must be few people unaware that the British electricity industry has just overcome its most protracted *challenge in peacetime. Despite* months of predictions that the coal strike would cause major power cuts, voltage reductions, and industrial chaos, the lights stayed on, and everyday *life* in the UK was barely disturbed.

Much of the credit for this belongs to the National Grid, one of the *world's* largest unified *electricity supply networks.* Thanks to the flexibility of the Grid, for almost a year the electricity industry was able to function, as it were, standing on its head.

Instead of the main flows of power moving from North to South, the system was reversed, as oil-fired generators in South Wales and the South of England were switched on to replace the *coal-starved power stations of* Yorkshire and the North.

Yet this is not the CEGB's only reason for celebrating. A negative reason must be that there *is still at least one central* area of the electricity industry immune from bitter and protracted controversy.

Continually challenged over its nulcear programmes responsibility for the acid rain threat to *Scandinavian forests, the* CEGB can console itself that the National Grid has for so long remained out of the headlinesand the political arena.

However, a review of the Grid's origins and achievements also offers the sobering reminder that it was not always free from arguments, that it has had spectacular failures, and that it remains a source of potential controversy in the future.

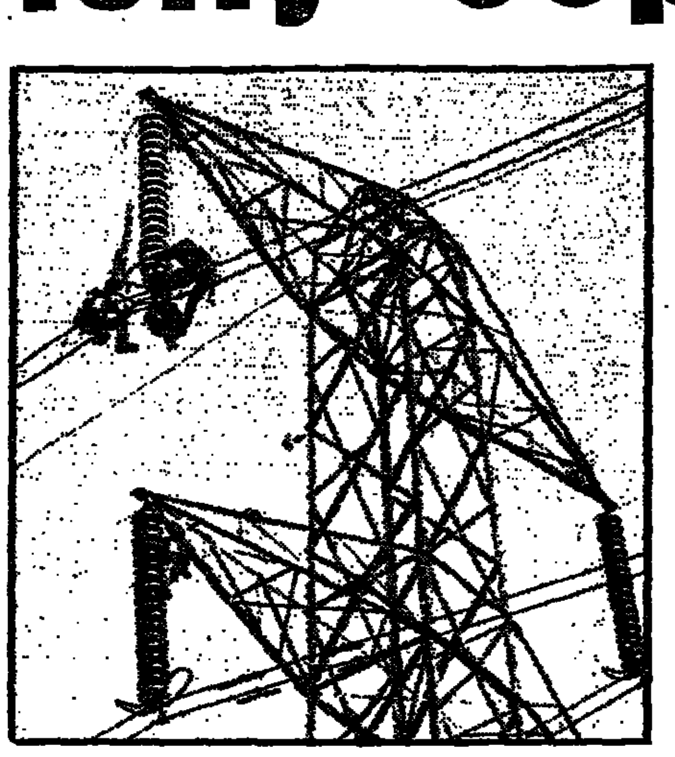
In the present political climate, *it* is intriguing to recall that when a national "*gridiron*" of power lines was mooted in the 1920s—by Stanley Baldwin's Conservatives —*the* idea was vehemently attacked as a dangerous piece of creeping socialism, not least by electrical engineers of the day.

At that time, however, the economic arguments were compelling; London had 24 different voltages and those parts of the country where electricity was available had 75 per cent more capacity than they needed to *meet peak demand.* The Weir Report of 1925 proposed, therefore, that a Central Electricity Board should interconnect only the most efficient of the *country's 438 power stations.*

Purchase

The Board would specify the *level* of generation by the most efficient stations to achieve the lowest overall production costs. It would purchase that electricity in bulk and then sell back *to local undertakings as* much as they needed for distribution at cost price after deducting the grid's costs.

Set up by Parliament in 1926, the new board set about building a network of 132 kilovolt *(kv) power lines, together with* special switchgear and transformers. A member of the Royal Academy was commissioned to design the first pylons to be spaced 300 yards apart. A team of officials, including ex-admirals and ex-generals, was recruited to secure wayleaves from reluctant and suspicious landowners and farmers.



Maintenance crew at work on pylon insulators.

Within seven years, the industry had installed 3,000 miles of 132 kv lines, 1,000 miles at lower voltages, 237 sub-stations—all completed to time and the financial target.

By the time it entered full commercial operation on January 1, 1935, the grid was already cutting power costs, *lowering the amount* of necessary reserve plant to 15 per cent and boosting the country's industrial expansion.

Even so, there was at first no *national centre for fully* controlling operations and the grid tended to work as seven independent networks.

It was almost by accident that one night *in October, 1937, an* engineer in the South-East control centre unofficially issued switching instructions to the other areas and it was not until 12 months later that this centralised control was for*malised* to meet winter conditions.

Had that not occurred then it would *inevitably* done so with the outbreak of war and the need to respond to enemy bombing raids on power stations and transmission facilities. Now a vital war necessity, the grid was controlled by teleprinters from the bottom of the disused shafts of a former Post Office Tube station, next to St Paul's Cathedral.

No sooner had war ended than the prolonged blackouts of 1945 and 1947 were the first major demonstrations of the grid's vulnerability to national coal shortages and very cold weather.

Development

The post-war recovery of the *1950s* led to a new spate of development as impressive as that of the 1920s. In 1953, work began on electrification of the countryside, supplying power to *85 per cent* of farms by *1963.* It was achieved 18 months early. At the same time, with the 132 kv grid proving inadequate for the country's growing electricity needs, it was decided to build a new "super-grid" of *275 kV lines,* which could later be modified to carry 400 kV.

These lines, capable of carrying much greater amounts of power over greater distances, meant that power stations could be sited on the coalfields or at coastal oil refineries, thus drastically reducing the heavy cost of transporting fuel.

Instead of coal and oil being carried by tanker train, they would now be moved much more cheaper by wire—in the form of electricity.

With the completion of this super-grid, most of the old 132 kV lines were handed over to the 12 local area boards which purchase the power from the CEGB for distribution to *their retail customers.*

Even so, there were *the occasional spectacular* reminders of the sensitivity of the grid to climate and other factors. In the winter of 1962-63, there were widespread disruptions caused by the fog *which* deposited industrial dirt on power line insulators and substation equipment.

There was also the memor*able blackout of West London* on April 20, 1964, the day the new BBC-2 television channel was due to be launched.

In its golden jubilee year, no major expansion is afoot in the Grid other than the cross-Channel 2,000 MW link, the first half of which is due to be commissioned in October.

Nevertheless, maintenance and refurbishment are never-ending tasks. About 80 miles a year of the Grid are being replaced with new conductors so that they will not sag as low as the old ones and conductors are being threaded with *hair*-thin communication wires made of optical fibres.

Meanwhile, the grid has been the catalyst in the CEGB's current plans to reorganise itself along functional rather than regional lines.

In an echo of the days when the grid was formed, there are now political mutterings about privatising power stations to bring down their running costs.

The first token move in using the grid in this way emerged in the 1983 Energy Act, which effectively broke the publicly-owned CEGB's monopoly on generating electricity as a primary business and opened the way to private generators using the national and local grid lines.

So far, the idea has had no large-scale takers, but in view of the hectic changes during the national grid's first 50 years, it would be strange if the next 50 did not also have a few surprises in store.

Official inspection of the first wide-base lattice tower- for the Central Electricity Board, a forerunner of the *Central Electricity Generating Board, in the 1920s. The towers* were built in Mid-Calder, Scotland and the inspection party, led by Sir Andrew Duncan, chairman of the CEB, visited the site on July 20 1928, two years after a parliamentary Act provided the statutory basis for a "national grid" for electricity transmission

Milestones of the Grid

1935 Grid in full commercial operation in most parts of the country from January 1.

1938 CEB establishes national national grid control at Bankside, London.

1940 Emergency programme to *minimise war risks* and *to* deal with rapid growth of load in areas where new munitions factories are located.

1942 Ministry of Fuel and Power takes over responsibility for electricity, in succession to Transport Ministry and Board of Trade.

1943 Parliament asked to set up North of Scotland Hydro-Electric Board.

1943 CEB considers post-war development of grid with voltage above 132 kV.

1946 Minister of Fuel and Power agrees that 240 volts should be standard domestic voltage from October 1, 1947. decision takes 25 years to complete.

1947 Nationalisation of electricity supply industry in England, Wales and Southern Scotland.
Generation and main transmission, together with central *co-ordination* and policy direction run by new British Electricity Authority (BEA).

1949 BEA starts planning a 275 kV system to boost the grid's *interconnection* capacity.

1950 BEA introduces uniform bulk supply tariff for supplies to area boards.

1952 Ownership of 66 kV and lower voltage *lines* transferred to area boards.

1953 Rural electrification launched to connect 85 per cent of farms by 1963 (completed 18 months early).

1953 First 41-mile *section of the* 275 kV grid commissioned.

1955 Reorganisation of electricity supply in Scotland with creation of South of Scotland Electricity Board, to generate and supply power outside area *of the northern hydro board.* BEA becomes the Central Electricity Authority (CEA).

1958 Electricity Council becomes new umbrella body for the generating and area boards in England and Wales. Central Electricity Generating Board supersedes the CEA.

1959 Rivers Severn and Wye spanned for 2½ miles by 275 kV line, suspended from 488 foot high towers.

1959 First operational use of 275 kV cables on the British grid.

1961 Ffestiniog 300 mW pumped *storage* hydro station, North Wales, commissioned—the first in the UK.

1961 Inauguration of first cross Channel cable link between Dungeness and Boulogne, operating on 100 kV DC.

1965 First 400 kV transmission line, 150 miles in length, inaugurated—three times the power-carrying capacity of a heavy-duty 275 kV line and 18 times that of the original 132 kV lines.

1965 Electricity Council *makes* provisions for 25 per cent growth in demand over the next 15 years.

1966 Britain's first 500 mW generating unit commissioned at Ferrybridge "C." Yorkshire.

1967 CEGB demostrate a "bare-hand" technique for maintenance work on live 400 kV lines — believed to be the first time in Europe. The *linesman wears a conducting* suit connected to the high voltage line.

1969 Control of 132 kV lines transferred to area boards.

1972 Northern hydro board completes Scotland's longest span, 4,547 feet of 132 kV line across Loch Long.

1972 Rota disconnections in February due to coal miners' strike.

1973 Three-day week and miners strike; voltage reductions in November and December, but only two load disconnections.

1974 Direct current link of 640 mW capacity from Kingsnorth to Willesden along the Regents Canal to bring power into central London without overhead tension lines.

1981 CEGB and Electricité de France agree to build 2,000 mW cross Channel link.

1981 CEGB closes 3,402 mW of generating plant under accelerated power station closure programme.

1981 Severe weather causes power cuts affecting 250,000 mainly rural consumers.

1983 Energy Act opens way to privately operated power stations to supply electricity to area boards.

1984 Beginning of year-long miners' strike.

1985 First half of new cross-Channel link to be commissioned.

UK Electricity supply 2

Difficult investigation of public fears

Cautious research into power line doses

ONE OF THE most conspicuous technical features of Britain is the web of overhead electricity transmission lines that straddle the countryside.

Given that there are now more than 5,000 kilometres of overhead lines operating at 400,000 volts in England and Wales alone, and a further 1,700 km running at 275 kilovolts, it is hardly surprising that some people should seek to blame their ills on all these cables dangling above us.

Public fears of alternating current transmission once rivalled those of nuclear energy today. They were enthusiastically fanned even by people as eminent technically as Thomas Edison, who in 1889 contributed this insight into the debate between the merits of AC and DC transmission:

"There is no plea which will justify the use of high-tension and alternating currents, either in a scientific or a commercial sense. They are employed solely to reduce investment in copper wire and real estate. . . . They are unnecessary as they are dangerous.

"I can therefore see no justification for the introduction of a system which has no element of permanency and every element of danger to life and property." But Edison had a vested interest in the rival DC system.

Symptoms

The public fears faded away, until rekindled in the early 1970s by Russian reports that electricity workers on the new 500 kV sub-stations in the Ukraine were complaining of such symptons as tiredness, headaches, nausea and loss of sexual potency—"like most of us feel on a Friday afternoon," says Dr John Bonnell, medical adviser to the electricity supply industry.

The Russian reports encouraged other people to attribute their symptoms to the proximity of overhead cables.

Proving a negative effect — that your activities are not the cause of someone else's troubles—is never easy and may be virtually impossible. Nevertheless, various electricity authorities in the U.S. and Europe, including the Central Electricity Generating Board whose grid spans England and Wales, felt compelled to investigate the Russian allegations.

The CEGB has been spending some £50,000 to £100,000 a year for the past five years in such investigations, says Dr Toby Norris, head of electrical engineering at its Central Electricity Research Laboratories at Leatherhead.

Its findings so far were presented late last year to a conference on the biological effects of low-frequency electric fields in the U.S., and are also embodied in a report from the *World Health Organisation.*

Unlike the U.S., which has spent prodigiously on trying to find adverse effects in such animals as rats, mice and pigs, the CEGB has not hesitated to test people. Dr Norris himself has been a volunteer, striding beneath 400 kV power lines armed with a special walking stick which can measure the field strength to which he is exposed.

The Russian authorities responded to the complaints of their workers by rewriting the rule book, limiting their exposures to electric field strengths of less than 5kV per metre. But Western electrictiy authorities all failed to substantiate the claims of the workers.

Altogether, the CEGB studied 390 industrial workers employed to maintain its power lines. Two Cambridge University scientists from the department of experimental psychology joined with two CEGB scientists in the study.

They measured the electric fields to which the linesmen were exposed, using a miniature dosimeter weighing only 15 grams worn by each worker. They examined the effects of working alone, of working long hours, of changing shifts.

They concluded that exposure to the highest fields to be found anywhere under the grid in Britain — 11 kV per metre from particularly low-slung 400 kV cables when fully loaded — is causing these workers no ill-health.

That does not mean that someone, somewhere may not be harmed by such fields.

Cautiously, the scientists conclude that there may be some aspect of health they have missed, or that there might be some effect at higher levels of exposure than they have studied, or that the effects may be felt through some other factor, or in certain vulnerable individuals. The scope for more investigations at the electricity consumer's expense is endless.

Effects

Certainly, there is no shortage of reported effects to investigate, even if one does not take too seriously the Guardian story last October of a woman who apparently had hysterics each time she approached an electricity pylon — or even traffic lights. In Dorset, where an overhead line spans the hamlet of Fishponds, they talk of "pylon weather" and expect the worst when they see the mist creeping up their valley.

Electricité de France scientists have shown that an electric field at the frequency of the power lines will make a rat's whiskers vibrate at the same frequency. With high-speed photography they showed hairs on the arm and even the skin itself vibrating, Dr Norris says.

The greater difficulty is establishing any correlation between these physical responses and complaints of ill-health, such as the claims of people in Britain that proximity to power lines is the cause of suicides and even of cancer.

The CEGB has found that heart pacemakers can sometimes be a sensitive detector of the presence of an electric field. Its scientists warn that some of the cheaper versions of pacemaker have been known to misbehave in strong fields.

Some of the combinations of electronic appliances in compact designs of modern kitchen could bear closer investigation, says Toby Norris, who sees no end yet to this kind of environmental assessment by the CEGB.

The overhead transmission lines are designed to absorb the worst shocks nature can give in the way of electrical discharges —lightning strikes. They can also produce their own displays of electrical discharges under unfavourable weather conditions.

Neighbours of towers are familiar with the sinister hiss as they approach the power lines in damp, misty weather. In south-west England this year they have also been treated to flashovers which brightly illuminate the long strings of insulators on the 400 kV towers.

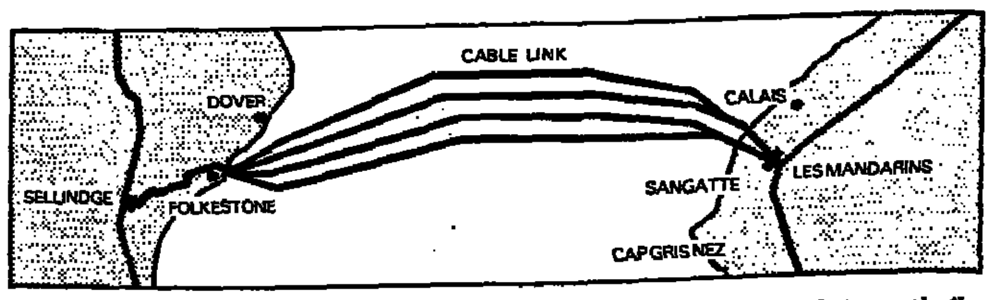
The problem is salt spray swept in from the sea to deposit a conducting film on the insulators. Plymouth, in particular, has been plagued by transient faults such as flickering lights, and sometimes complete blackouts.

According to the CEGB, rain normally keeps the insulators washed clean, preventing the build-up of enough salt to conduct a flashover, but a combination of meteorological circumstances conspired to prevent this self-cleaning process on many 400 kV towers last winter. The utility has had to resort to a major clean-up, re-routing power at weekends so that several hundred towers could be washed down.

David Fishlock
Science Editor

Ashley Ashwood

Dr Toby Norris: walking under the power lines with his dosimeter to measure the electrical field



POWER LINES under the ocean: the UK and France will be able to start exchanging electricity this autumn via the £600m cross-Channel link, due for completion in 1986.

It will have a total power-carrying capacity of 2,000 Mw, and will be able to deliver as much power to the grid as one of the CEGB's biggest power stations—enough to supply the need of over half of Kent.

It was designed to take advantage of the difference in the two countries' peak demand hours, but the cheapness of France's nuclear electricity could mean that the UK will buy more than it sells.

The CEGB's longstanding links with manufacturers

Reliance on industry

THE Central Electricity Generating Board relies on UK electrical engineering, construction and power conductor cable manufacturers for "99 per cent" of its requirements for the construction and maintenance of the national grid, the board says.

British companies have been involved in the grid from the earliest days, with British Insulated Cables, a forerunner to the BICC group, the contractor for the construction of the first "pylons," or transmission towers for carrying overhead electricity conductors.

The national grid is essentially complete. Major new building programmes to extend the grid are rare, although there is a prospect that the rest of the 1980s could see a resurgence of new construction, extending the grid in a modest way to meet changing patterns of power distribution and the requirements of possible new sources of power.

The board also has a strategic plan to carry out essential maintenance and repair operations on carefully-chosen sections.

The outcome of the long-running public inquiry into plans by the Central Electricity Generating Board to build a pressurised water reactor at the site of an existing nuclear power station at Sizewell, on the Suffolk coast, could have immense implications for future developments of the national grid.

The CEGB is considering a PWR station at Hinkley Point, Somerset, to be known as Hinkley Point C, as the next PWR to be built, subject to the approval of planning applications, after Sizewell.

Options for a third PWR nuclear station are also being considered. The board is considering sites at Winfrith, Dorset; Druridge Bay, Northumberland; Snowdonia, North Wales; and Dungeness C, which could be built alongside the existing nuclear stations on the site.

All these options, and the possibility that a PWR station could be built at Hinkley Point, will probably lead to a further demand for modest extensions to the national grid, with more work for private sector companies in the offing.

If Hinkley Point C is given a go-ahead, it is probable that the CEGB will call for the construction of a new 20 km of 400 kV supergrid. This would link Bridgwater with Taunton.

If Dungeness is chosen as the site for a third PWR station, to be built alongside the existing stations, then this would also entail the construction of new sections of the national grid.

Direct route

In particular, the CEGB would need to construct a new link from Dungeness on the south coast to the south of London. This extension of the grid would enable the CEGB to make a more direct route from the station to the capital.

The CEGB strategy to achieve a planned programme of overhead line refurbishment, taking into account the working life of each line, has been developed. A continuing refurbishment programme, to average 150 route km a year at an annual expenditure building up to about £24m has been started.

A 10-year rolling programme for the refurbishment of the transmission system was started in 1982, with the first work taking place on the line from Ferrybridge, Yorkshire to Elland. This line runs for 28 km.

Modern overhead conductors have a life of between 40 and 60 years. This is achieved partly because of the controlled use of corrosion inhibiting greases. These crucial greases were not included in the earlier conductors, apart from a slight greasing of the central steel core. The result is that these conductors have a much reduced life, perhaps about 30 years.

The conductor cables are made at Prescot, Lancashire, where British Insulated Cables started in 1890. The wide-base lattice work towers are made by Painter Brothers, of Hereford. The towers are made of galvanised angle steel shapes, designed by computer and made in such a way to be easily assembled on site.

Other companies involved with the construction of unusual aspects of the national grid include Pirelli, which was involved in the construction of the undersea link between Britain's electricity network and that of France.

To manufacture the cables—the largest in the world—Pirelli General built a £12.5m factory at Southampton Water. Each cable, a continuous length of about 31 miles, is four in in diameter and weighs 1,700 tonnes.

To dig the trenches, the CEGB jointly developed a remotely guided sea-bed excavator with Land and Marine Engineering and had it built at Riggin International's Middlesbrough yard.

The GEC Transmission and Distribution group, part of GEC Power Engineering, is also heavily involved with the national grid. Many of the companies involved in grid work have specialities, such as GEC High Voltage Switchgear, GEC Power Transformers, GEC Distribution Transformers GEC Distribution Switchgear and GEC Installation Equipment.

The GEC Transmission and Distribution group has nine production plants in the UK and in continental Europe and employs more than 8,000 people.

The CEGB is to help celebrate the 50th anniversary of the national grid in May with an industry exhibition on May 30-31 at the Barbican Centre, London. More than 30 companies involved in constructing the national grid are expected to attend with show stands representing "almost the entire UK manufacturing capability in the field of electricity transmission grids," according to the CEGB.

The exhibition, called Transnet 85, will feature switchgear, transformers, overhead cables, circuit protection gear, automatic switching, systm controls, telecommunication and undersea trenching and cable-laying equipment.

Lynton McLain

PROFILE; FRANK LEDGER

Avoiding the target list

FRANK LEDGER, the CEGB's director of operations, would be less than human not to have felt a certain satisfaction at the role of the National Grid in ensuring that the miners' strike caused no power blackouts, or even partial drops in voltage.

And as a man whose relaxations include do-it-yourself jobs, he revels in some of the Board's ingenious improvisations, particularly in switching from coal to oil, which helped to maintain power supplies.

He also has another personal cause for satisfaction at the outcome. Like his fellow Yorkshireman, Arthur Scargill, he had been deeply involved in the country's previous coal strikes, in 1972 and 1974. While Mr Scargill was proving the efficacy of pickets Mr Ledger was the CEGB's systems operation engineer in both those years, feeling the full brunt of coal shortages at the power stations.

This time, he says, "we came through without being in the forefront of the conflict. We also proved that the CEGB is no longer an easy touch for settling disputes in other industries. So in future we may not be at the top of the target list."

Why, though did the Board acquit itself so much better this time? Ledger sees only part of the answer in the higher oil burn and the availability of coal from Nottinghamshire.

Co-operation

Nor was it only the steady co-operation of the Boards' workforce, despite the fact that "two thirds of our industrial unions in the power stations had been given advice that should have stopped them."

The other key factor, so far largely unreported, was the Board's use of highly sophisticated computer models of future demand patterns, at the computer centre adjoining the Bankside National Control Centre.

Throughout the strike, these models enabled the Board to plot supply and demand patterns for every half hour of the day six months ahead and to prepare to meet them, as economically as possible, well in advance.

This is among the key functions for which Mr Ledger is responsible to the Board, and for which CEGB Board member Mr Gil Blackman, also takes a special interest.

Frank Ledger: cause for satisfaction

With a staff of 230, the operations branch is involved in day-to-day as well as long-range planning — systems operations, fuel procurement and transport, services; and uranium procurement and other specialised nuclear responsibilities.

Advice

The operations branch is the third rung in the Board's investment planning ladder for new or refurbished power stations. After receiving advice from the Strategic Studies Department, the Board passes it down to Operations which, in turn, guides the regions about the economic value of proposed new plant and so that they can judge the priorities influencing manpower levels and repair work.

Nearly half Mr Ledger's 230 staff are in system operations, including 61 at the sharp end of the Grid — the National Control centre at Bankside and at the Sudbury House headquarters. Mr Ledger defines their role as "to use electro-technology to get the last ounce of flexibility for a minimum cost of generation."

Mr Ledger's own career is a healthy blend of power station management and development of new technology, including group manager of a group of Midlands power stations and head of the computer department.

He is young enough to look forward to several more busy years at the CEGB. But they are unlikely to match the drama of the 1984 miners' strike.

Maurice Samuelson

UK Electricity supply 3

Lynton McLain explains some familiar landmarks

Strange new shapes in the landscape

THE START of the network of *high* lattice-work towers that became the "National Grid" was witnessed on a summer's day in the 1920s by *an assortment of* bowler and trilby-hatted gentlemen in the South of Scotland.

The eleven men, including four knights, made up the "official *inspection party*" *on July* 20 1928 of the first transmission towers erected for the Central Electricity Board, as it was then to carry electricity overhead in the UK.

The party was led by Sir *Andrew Duncan*, chairman of the Central Electricity Board, and included Sir Reginald Blomfield, a consulting architect with the board and the man credited with helping to select the now-familiar lattice-work design for the *transmission towers*. The design itself probably came from *the U.S., according to some* electricity industry historians.

Appearance

It is also said that Sir Reginald's main role on that historic day was to assess what colour future towers should be. This may be apocryphal and the towers have remained finished in plain galvanised steel, as was the first tower in mid-Calder.

Sir *Reginald's* role in the 1920s and the conscientious attention paid by the board to the appearance of the new towers reflected the high level of concern over their environmental impact.

The Central Electricity Board was marching over new ground, literally and metaphorically, putting strange new shapes into the British landscape, to bring electricity to more customers and to link power stations. The environmental issues that still bug the electricity industry had precedents in the days when transmission towers were completely new.

There was strong opposition in the early *days* on environmental grounds. "People were up in arms against the towers in some places; people were not immediately pleased," *according to* BICC, *the group that includes* a company that was a leading contractor to the emerging national electricty industry of the 1920s, British Insulated Cables.

British Insulated Cables was the contractor for the towers inspected in *Scotland by the* hatted gentlemen from the *board. These were* the first wide-base lattice transmission towers in the UK and little has been changed in the design.

The environmental impact of *the towers is much less an issue* today than it was then, though there is one quaint left-over from the early environmental debates, namely the use of the word "*pylon*" *to describe* the towers.

The early advocates of the overhead transmission towers used the word "pylon" to evoke thought of classical Greek architecture in relation to the new structures. "Pylon" comes from the Greek "pulon" and "pule" for gate. *The current* contractors in the industry *prefer the more prosaic* "electricity transmission towers."

The idea of electricity supply as a potential national industry goes back to the first Acts controlling electricity: the Electric Lighting Acts of 1882 and 1888. Under the first, the *approval* of a parish had to be obtained for *electricity to be distributed* locally. The 1888 Act allowed electricity producers to sell electricity outside their immediate local areas.

In 1900, Parliament allowed larger power companies to develop within a *region*. "Within a few years these covered *considerable parts of* the country outside the major cities, which in many cases had their own municipal supply undertakings," according to BICC.

The Central Electricity Board *was set up in 1926, with responsibility* for co-ordinating the construction of new power stations and planning and controlling the operations of power stations, within the framework of a national grid.

Wooden poles were used to distribute electricity overground. But most power in the early days was distributed to the consumer by underground cables, a development that has been echoed in more recent years with *some impressive* underground cable systems, especially the Anglo-French scheme which links the UK and French power networks through an under-sea cable crossing the Channel.

With the growth of larger *power companies in the* UK around the turn of the century and the growth of wider distribution prospects, a need arose for systems of overhead transmission using live cables on poles.

Two of the first high-voltage overhead lines in the UK, operating at 11,000 volts, were built by Callender's Cable and Construction company, Erith, Kent, *which later helped to* form the present BICC company. *One line was for the* Yorkshire Electric Power company, the other was for the Lancashire Electric Power Company. Both lines were carried on wooden poles 30 ft high.

Tubular steel poles were *introduced in 1912 and narrow*-base lattice towers appeared at the time of the First World War when there was a shortage of steel tube.

The larger, wide-base lattice towers became a familiar *feature with the formal* creation of a national grid under the *Electricity Supply Act 1926*. The national grid as it is today was constructed largely between 1927 and 1935, hence the year's "50th anniversary" of the grid is the *anniversary* of the completion of the grid as originally *conceived*.

There have been many *changes since then*. The most important was probably the creation of a nationalised electricity supply industry in 1948. The Central Electricity Board was replaced by the British Electricity Authority, which replaced the independent and municipal organisations which controlled power stations and electricity distribution.

Replaced

The BEA ceased to exist in 1957, when it was replaced under the Electricity Act by the Electricity Council and the *Central Electricity Generating* Board.

The early form of the national grid involved electricity transmission lines at 33 kV (kilovolts), 66 kV and 132 kV. In general terms, the higher the voltage, the greater the capacity of the line to transmit electricity.

The lower-voltage cables were developed at the time of the First World War, but the *development of* higher-voltage cables involved technical problems, solved by the use of oil-filled supertension cables, according to BICC. This type of cable is still in use.

The CEGB's national grid *operates at three main voltages*, 132 kV, 275 kV and 400 kV, the *400 kV network* making up the current "supergrid."

The national grid operated at *only the two lower voltages* until 1965, when the supergrid was *uprated to the present* 400 kV.

The national grid is now "one *of the largest fully integrated* power systems operating under *unified* control in the Western world," the CEGB says.

The official figures from the *CEGB illustrate what is involved*. The board had 7,679 route *kilometres* of transmission lines in service in 1983-84 and 206 substations operating at 400 kV and 275 kV. The grid handled a total of 217,766 GWh *and lost 5,200 GWh, or* about 2.3 per cent, of this in the course of transmission.

By far the greater proportion of the grid network is overground, *with only 8.8 per cent* of the route transmission network underground in 1983-84.

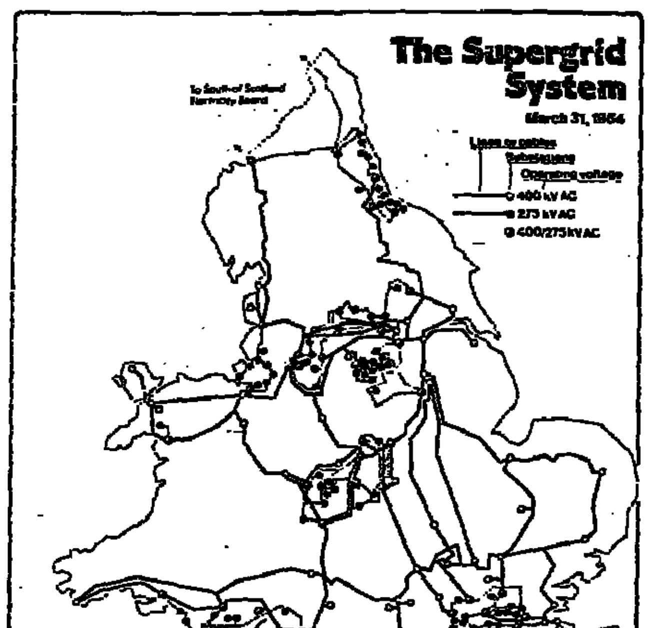
Some of the work of building the grid has involved some superlatives in civil and electrical *engineering*. The Callender company, later part of BICC, erected the towers and rigged up the cables for the first crossing of the River Thames by the grid, in 1932. The cables had to span the river between Dagenham and Abbey Wood, with a tower *separation distance of 3,060 ft*. At 487 ft high the towers were the highest of their kind in the world at the time.

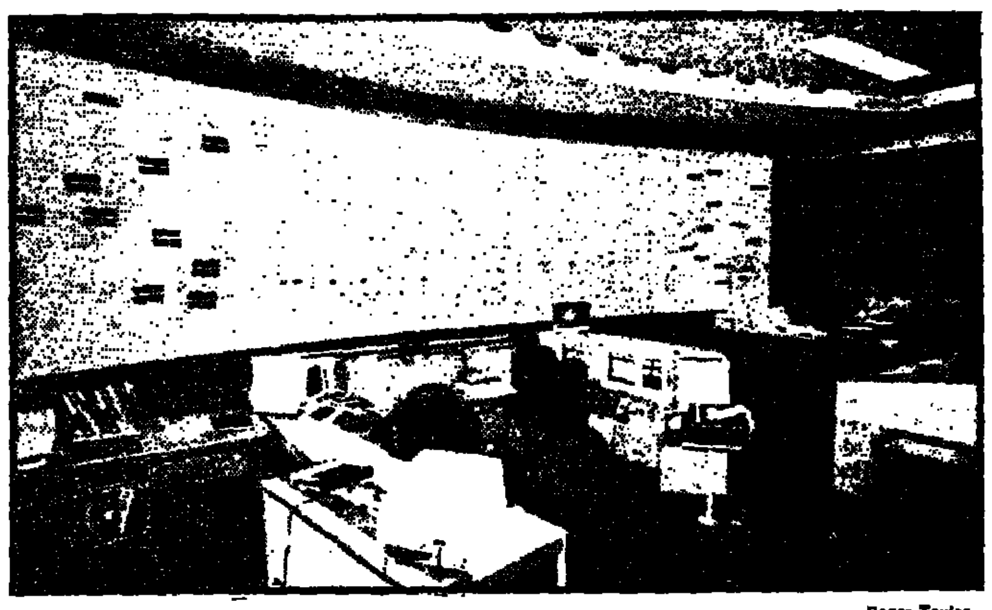
Link

Bigger towers followed with two 630 ft ones constructed by *BICC between 1959 and 1962*, again to link the north and south banks of the Thames, this time at West Thurrock.

The two towers are twice the *height of the Big Ben clock* tower at the Houses of Parliament and the distance spanned is 4,500 ft in a continuous cable, with a further length of 1,600 ft of cable on either side of the main support towers. The *towers carry the 400 kV supergrid*.

Survey work of the transmission *lines goes on all the* time, with an increasing use being made of *helicopter-borne* thermography techniques to identify "hot-spots" on the lines, where repair is necessary.




Roger Taylor

Inside the nerve centre

Maurice Samuelson describes how the power demand and supply are forecast and balanced in London

BRITAIN'S electricity supply is controlled by four men sitting *in a large, silent hall with discreet lighting and plush brown carpets, surrounded by banks of* display terminals and digital keyboards.

Their job is to meet the country's electricity needs at the most economical price available at any time of the day or night.

Their workplace, the inner sanctum ofthe Board's national control centre, is at 85 Park Street, London, SE1, a discreet, brick building between the defunct Bankside power station and Southwark Bridge.

Mr Tony Malins, the centre's 45-year-old *manager, modestly* insists that "this is only a small part of the CEGB's big operations branch."

In fact, it is the nerve centre of the British electricity supply industry and a site of major *national importance, guarded by* electronic access devices.

The control room is dominated by a huge mural diagram of the country's 400 kv and 275 kv network — the *so-called* supergrid carrying the main flows of electricity from power stations to the major population centres.

Flanking the *diagrams* are two maps, divided into six *regions, controlled from Leeds*, Manchester, Birmingham, Bristol, St Albans and East Grinstead.

One map shows the demand levels and surplus (or shortage) of power in each region; the other shows how much power is moving from one area to another, including that brought in from Scotland.

Facing these displays are the senior duty control engineer and his assistants — two engineers monitoring the economics of *each power station, and* another responsible for security *of the transmission system*.

They are among a pool of 24 engineers, working on three shifts, and are backed up by teleprinter operators and clerical assistants in the adjoining communications rooms.

Every day, the duty team works out a flexible strategy *for the next 24 hours, using six* major weather forecasts and a stream of other information about likely demand and the state of the generating and transmission system.

They are in constant dialogue *with the six control areas* and can monitor the control instru*mentation throughout* the country.

In addition to its own weather satellite monitor, the control room also has an ordinary television set, to help anticipate the times when millions of thirsty viewers are *likely to switch on* their kettles.

The *controllers* call this sudden power demand the "television pick-up" and at the end of episodes of the contro*versial Thorn Birds series in* 1983, for example, demand *soared by 2,600 MW* — more than the individual output of most of Britain's power stations.

The most difficult day of this last winter was on January 17, when the cold weather raised evening demand to a record 46,215 MW. Yet there was still a 1,000 MW margin for imme*diate needs, and about* 4,000 MW more which could be *turned* on *at a few* hours' notice.

Tony Malins, the centre's present manager, arrived in 1983 on the first day of the miners' overtime ban with orders to minimise coal burn. *While playing down the centre's* role in maintaining power *supplies*, he *admits* that "at times it was like having a tiger by the tail."

With the strike over, his task is to return the system to full economic *running*. That could take up to three months, he *says, although maintenance* work on power stations would go on until October.

The centre has been in its present building since 1971, *having previously been* at Bankside House next door.

By 1989, *however, the centre* will be at a new building now being constructed at Wokingham, Berks, the first time it has been based outside London.

Staff are already being trained for the move, which is *prompted by the need for* new computers, display equipment, more *intelligent software*, and the impracticability of extensively refurbishing the present centre while it is in use.

TECHNOLOGY

EDITED BY ALAN CANE

WEAVING SUCCUMBS TO ELECTRONIC ADVANCES

Cash and Gems weave a new web

BY GEOFFREY CHARLISH

GEMS OF Cambridge, a 15-man venture capital company started in 1983, has solved one of the textile industry's knottier problems — the design and production of Jacquard cards for looms.

The system has been developed in conjunction with J. and J. Cash of Coventry, a company well known to readers with children at school. Few mothers have not sewn a Cash's nametape into sock or shirt.

This "woven information" industry however, extends beyond mere name tags into all kinds of product labels (look on the inside of your jacket) and into organisations emblems. "Woven are" for purely decorative purposes (the tops of jewel boxes for example) is also becoming more popular.

The looms used are traditionally controlled by Jacquard cards. These were originally a "concertina" of linked cards each measuring about 18 in x 6 in, rather like those that control organ music at fair grounds. In recent years, the cards have become continuous webs of stout paper and are far less bulky.

The cards have punched holes that represent the pattern to be woven. As the cards pass through a reading unit, pins arranged in a bank pass through only where holes have been punched, activating mechanisms that determine which threads, of which colour, are picked up and woven into the pattern.

The conventional design and production process for the cards was tedious, time consuming and had hardly changed this century. It started with a conventional artist's sketch which was copied on to special paper ruled into tiny rectangles, each of which represented a coloured woven element. The grid spacing on this "draft" was chosen to reflect the weaving density. Each rectangle had to be painted in individually and the job took up to three weeks.

In a further laborious stage, a skilled operator sat at a special punching machine and would read off each line of the draft, striking keys and a foot pedal to make holes where the colour is present. The work had to be repeated for all the colours — another two or three week process.

After that, trial weavings would take place, with corrections of errors (which were inevitable) until the result was perfect.

Trevor Humphries

Time-consuming painting of coloured squares representing woven patterns has been replaced at J & J Cash by a scanner that turns the original artist's rendering into a TV picture and then into Jacquard loom cards

GEMS has produced a system using a scanner and computer-aided design technique to reduce the whole process to a few hours.

Called Gemweave, it uses a scanning camera based on a Fairchild 2048 element solid state device which is passed across the original artwork three times to collect red, green and blue information.

The information is held in the Gemweave computer in the form of individual picture elements which are the same rectangular shape as the elements used on the draft. The shape can vary, depending on the ratio of warp to weft in any one design and the computer can accommodate the exact electronic version of what would have appeared on the "draft."

After scanning, any small errors that arise can be corrected on the screen so that only a perfect version is stored.

Once a design is captured in this way much of the "repeat with variations" work at Cash's is greatly simplified. For example, garment labels might be identical apart from the name of the store where they will be sold. Then, the designer simply recalls the basic design to the screen and alters only a proportion of the area. Previously, all the tedious hand processes had to be repeated.

Direct designing on screen is unlikely to prove possible however. Apparently the Cash designers find it simpler to use conventional paint and paper followed by scanning.

The time taken for the next step, punching the cards, has been virtually eliminated by a microprocessor-controlled unit designed by Cash's technical development manager Dr John Lowe.

This takes the data from Gemweave and converts it into that necessary to operate a modern continuous paper punch directly.

GEMS will be offering the complete package to companies that are not direct competitors of J. and J. Cash. A simple workstation system with scanner and punch will cost about £110,000.

GEMS believes most of its market will be in the U.S. where its major competitor is Viable Weavette. In Europe, Grosser has a system but this scans artwork for punching and does not digitise it. GEMS director Mr M. Jones hopes to soon land a major U.S. order involving three workstations and worth over £250,000.

Specialising in image processing, GEMS has other irons in the fire. Realising that processing speed is important where large amounts of data are dealt with, the company recently developed a fast system using the Sky array processor (essentially a number of processors acting in unison).

One application has been at the Transport and Road Research Laboratories, Crowthorne, where the problem was to change realistic computer-generated road system models progressively to yield a "movie" for traffic engineering studies.

Similar work has been done for University College Hospital, to allow plastic surgeons to simulate work on the human face in advance of the surgery.

Energy

Windpower applications that are all at sea

BOATING ENTHUSIASTS who are also gourmets may like to consider a suggestion for wind-power applications proposed by a small company in east London.

Remote Power Applications is developing a range of small wind generators that, says the company, will have uses in many areas of activity out of range of electricity networks.

One idea is to sell the devices to yacht owners who like to cook meals with electricity at sea but do not want to rely on batteries.

According to Bill Wright, a director of the company, water authorities could be another group to find uses for such machines. With the hardware they could power machinery in remote regions, for example to feed chlorine into the water supply.

The wind generators, which the company says will need very little maintenance, could also supply electricity to pumping equipment or traffic signals in rural areas, as well as providing lighting in out-of-the-way cottages.

The 25 machines under construction by Remote Power Applications are based on a batch of 30 pre-production generators which have been tested mainly in the Third World, in countries such as Botswana, Sudan and Ghana.

Mr Wright sold these machines, costing about £150 each, to customers such as farmers and government organisations which wanted to experiment with wind power.

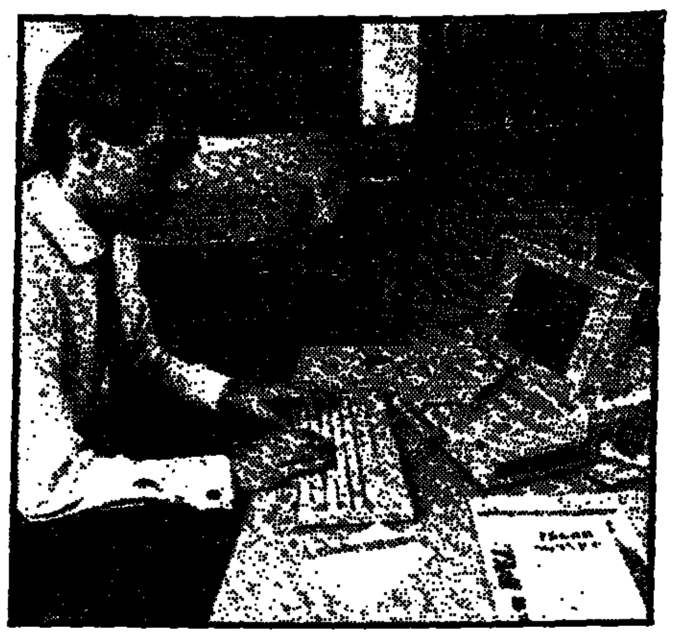
At about £400 each, the new batch of devices are more sophisticated. They include electronic controls to feed electricity from the generator to a 12-volt battery.

The battery will start to charge when the generator's stainless-steel rotor, which is 1.2 metres long, is turned by a wind blowing at 3 metres/sec. About 70 watts is produced if the wind rises to 8 metres/sec and 100 watts at 11 metres/sec.

Mr Wright became enthusiastic about wind power after building a pedal-powered generator for use in Africa by doctors. By pedalling hard, a person could generate enough electricity to power a radio for contact with a roving physician.

OFFICE AUTOMATION

Swedish workstation makes its mark



Ericsson's PC is IBM compatible and weighs 7.6 kilos.

ERICSSON, WHICH now claims to have 17 per cent of the European market in IBM-compatible terminals, with over 200,000 installed, has launched a distributed workstation able to communicate with mainframes from several makers. The Swedish company has also announced a personal portable with a flat screen weighing only 7.6 kg.

The portable uses all the software packages available to IBM PC-compatible users, running unconverted on the same 5.25 in floppy disc.

It measures only 115 x 390 x 310 mm and uses a 1.5 in thick flip-up 11 in diagonal plasma screen, producing a somewhat unusual orange-red picture. The floppy disc drive is built-in and there is provision for a second drive, a built-in printer and an acoustic coupler for telephone use.The keyboard is detachable.

Based on the Intel 8088 processor, the portable has 256,000 bytes (characters) of random access memory, expandable to 512,000. There is an optional solid state substitute for the discs. The PC operates under the MS-DOS 2.11 operating system and GW-Basic (IBM compatible basic language).

According to Mr Mike Bateson, UK marketing director, the 1985 world market for portables is likely to exceed 0.5m, while the figure for 1986 is put at around 1m.

Ericsson's other offering is the Alfaskop 91, a workstation with full IBM 3270 and SNA compatability which can also work to Sperry and DEC mainframes. The units are available in a variety of screen sizes and in three presentations: full colour, amber on black and black characters on a white background.

In an Alfaskop 91 network, a total of 32 workstations, with printers and flexible disk units, are linked to a communications processor and each terminal can talk to three different mainframes using different protocols —the user makes his choice from the keyboard.

● Grid, a U.S. company specialising in expensive but high quality portable computers today launched a new family of machines, GridCase. The most expensive model, at $6,500, features the same large red plasma screen used on the Erisson. The other have either grey or yellow liquid crystal displays.

The new family starts at $2,975 and is aimed at the business computing market. All the machines are fully IBM compatible and have plug-in software and built-in 3.5 inch minifloppy disk drives.

Biotechnology

Centrifuge for cell harvest

ALFA-LAVAL has launched a solids ejecting centrifuge for biotechnology applications such as cell harvesting, broth clarification and separation. It is part of the company's growing strategy in biotechnology.

The unit, called the BTPX 205, has been developed for pilot plant or small scale production processes. However, the system can be upgraded to full scale production. The machine is totally enclosed to prevent environmental contamination which is particularly important for biotechnology applications. More details from Alfa-Laval in the UK on 0525 382444.

Computing

Electronic desktop package

A NUMBER of new shoftware packages cater for the executives "electronic desktop." QED+, for example, from the UK company Quantec Systems and Softwear features time management, an address book, a desk file with word processing, forms design and telex and report preparation.

There is also a project planner and a filing system.

The package is available on the IBM and Apricot ranges of computers and, according to the company, allows the executive to switch instantly to third party specialist software such as databases and spreadsheets.

The company also claims it enables users to integrate seemingly incompatible packages such as Lotus 1-2-3 and Wordstar.

It runs in 60,000 bytes of memory and costs around £300. More on 01-228 7507.

Company Notices

Notice of Redemption

Sociétés de développement régional «SDR»

EUA 25,000,000.- 9½% 1975-1987

Holders of the above mentioned issue are hereby informed that following early redemption of EUA 526,000.- effected on May 5th, 1979, the amortization quota of May 5th, 1985 has been fixed at EUA 1,950,000.-

The Bonds to be repayed have been drawn by lot on March 21th, 1985 in the presence of a notary public and bear the following numbers:

18580 - 20529 inclusive

These bonds will be redeemable at par on and after 5th May, 1985 with all unmatured coupons attached thereto.

The principal amount of bonds outstanding after the amortization of 5th May, 1985 will be EUA 8,774,000.-

Finally it is recalled that the following bonds which have been drawn by lot in 1978, 1980, 1981, 1982, 1983 and 1984 have not yet been presented for payment:

16611-16612; 6935-6936; 7085-7094; 2545-2546; 9036; 10023-10025; 10160-10164; 10269; 10614-10616; 14370-14372; 14381; 14426-14427; 14466-14470; 14473-14482; 14617; 14625-14628; 14822; 14893-14896; 18267-18275; 18302; 18307; 18341-18342; 18479; 18551; 6579-6580; 6607; 6613-6615; 6691; 6693-6700; 6723; 6730-6731; 6751-6754; 6765-6772; 6793-6795; 6798-6821; 8804-8807; 8837; 8902-8905; 8914-8917; 10947; 10957; 10961-10965; 10974-10975; 10995; 11033; 11072; 11156-11157; 11218-11219; 11237-11238; 11260-11261; 11300; 11351-11355; 11401; 11405-11418; 11429-11438; 11445-11446; 11451-11460; 11465; 11471-11485; 11488-11500; 11555-11574; 11582; 11586; 11592; 11594-11595; 11600; 11612; 11614-11615; 11629-11650; 11751-11796; 11847-11850; 11853-11854; 11858-11859; 11865-11867; 11882-11892; 11898-11900; 11912-11919; 11928; 11936-11942; 11971; 12003-12032; 12081-12082; 12092-12093; 12143-12151; 12173-12175; 12201-12208; 12244-12246; 12266; 12273; 12375-12377; 12401-12405.

BANQUE INTERNATIONALE A LUXEMBOURG
Fiscal Agent

Luxembourg, April 4, 1985

Asian Development Bank
10¼ per cent. Loan Stock 2009

S.G. Warburg & Co. Ltd. announces on behalf of the Asian Development Bank that in the six months preceding 24th March, 1985, £1,250,000 nominal amount of the above Loan Stock was cancelled pursuant to the provisions of the Purchase Fund relating to the above Loan Stock in respect of the twelve month purchase period ending on 28th February, 1985. As at 24th March, 1985, £98,500,000 nominal amount of the above Loan Stock was outstanding.

S.G. Warburg & Co. Ltd.
Purchase Agent

9th April, 1985

LAFARGE COPPEE S.A.
190,000,000 French Francs
Convertible Bonds due 1991

NOTICE OF REDEMPTION

NOTICE IS HEREBY GIVEN that the whole outstanding principal amount of Lafarge Coppée S.A. 190,000,000 French Francs Convertible Bonds due 1991 (the "Bonds") will be redeemed May 9, 1985 at a redemption price of 104% of the principal amount, together with interest accrued to May 9, 1985.

In consequence, holders of Bonds are advised that the last date on which Bonds may be converted will be August 9, 1985.

April 9, 1985.

CREDIT COMMERCIAL DE FRANCE
Principal Paying and Conversion Agent

LEUMI INTERNATIONAL INVESTMENTS N.V.
US$20 MILLION GUARANTEED FLOATING RATE NOTES 1987 SERIES 'B'

The interest rate applicable to the above Notes in respect of the three month period commencing the 9th April 1985 has been fixed at 9 5/16% per annum.

The interest amounting to $23.88 per $1,000 principal amount of the Notes will be paid on Tuesday, 9th July 1985, against presentation of Coupon No. 19.

BANK LEUMI TRUST COMPANY OF NEW YORK
Principal Paying Agent

PARINTER BOND FUND S.A.
10a Boulevard Royal, Luxembourg

NOTICE TO SHAREHOLDERS
NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Fifteenth Annual General Meeting of Parinter Bond Fund S.A. will be held at the Registered Office in Luxembourg, 10a Boulevard Royal, on Tuesday 16th April, 1985 at 12.00 hours for the purpose of considering the following agenda:

(1) To receive and adopt the Directors' report and the report of the Statutory Auditor for the year to 31st December 1984. [illegible]

(2) To receive and adopt the Balance Sheet and the Statement of Operations at 31st December 1984.

(3) To approve payment of Directors' fees.

(4) To grant discharge to the Directors and the Statutory Auditor in respect of the execution of their mandates to 31st December 1984.

(5) To receive and act on the statutory nomination for election of Directors and the Statutory Auditor for a new term of one year.

(6) [illegible]

(7) [illegible]

[illegible]

By Order of the Board of Directors

MALAYSIA
U.S.$350,000,000
FLOATING RATE NOTES DUE 1992

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the period from 9th April, 1985 to 9th October, 1985 has been fixed at 9.875 per cent per annum.

On 9th October, 1985 interest of U.S.$501.98 per U.S.$10,000 nominal amount of the Notes and interest of U.S.$12,549.48 per U.S.$250,000 nominal amount of the Notes will be due against Interest Coupon No. 7.

SWISS BANK CORPORATION INTERNATIONAL LIMITED
Reference Agent

HOWARD AND WYNDHAM PLC

In the petition of HOWARD AND WYNDHAM PLC for confirmation of reduction of capital the Court of Session has pronounced the following interlocutor: [illegible]

[illegible]

Solicitors for Petitioners.

NOTICE OF EARLY REDEMPTION
THE NIPPON CREDIT BANK, LTD. LONDON BRANCH
US$20,000,000 FRCD DUE 13th MAY 1986

NOTICE IS HEREBY GIVEN that pursuant to the provisions of Condition 3 of the C.D.'s, the Bank will redeem all outstanding C.D.'s at 100% of their principal amount on 13th May, 1985 [illegible] C.D.'s will cease to accrue.

Repayment of principal will be made against presentation of the CD's through the Bank in London [illegible]

THE NIPPON CREDIT BANK LIMITED LONDON
9th April, 1985.

B.S.N.
PUBLIC COMPANY WITH A CAPITAL OF FFr 353,614,000
Registered Office: 7 rue de Téhéran Paris (8ème)
RCS PARIS B 552 032 534

5% Bonds 1972-1987 FFr 5,000.— Compagnie Gervais Danone

NUMERICAL LIST

(1) Of the series including, allowing for previous purchases [illegible]

[illegible]

SOCIETE DE BANQUE SUISSE, BALE

Outstanding amount: FFr 13,690,000

THE ROYAL BANK OF CANADA
US$100,000,000
Floating Rate Debentures due 1987

In accordance with the terms and conditions of the Debentures, the interest rate for the period 9th April, 1985 to 9th October 1985 has been fixed at 9.625 per cent per annum.

On 9th October, 1985 interest of U.S.$244.64 per U.S.$5,000 nominal amount of the Debentures and interest of U.S.$2,446.35 per U.S.$50,000 nominal amount of the Debentures will be due for payment.

SWISS BANK CORPORATION INTERNATIONAL LIMITED
Reference Agent

BANQUE INTERNATIONALE POUR L'AFRIQUE OCCIDENTALE
U.S.$30,000,000
Floating Rate Notes 1982/1988

The rate of interest applicable to the interest period from April 9 1985 up to October 9 1985 as determined by the reference Agent is 9⅞ per cent per annum namely US$50.20 per note of US$1,000.

THE ARTS

London galleries/William Packer

Fine craft, fine art

Anyone with no more than a nodding acquaintance with the recent history of British ceramic art, who visits the Tate's excellent St Ives exhibition, may be almost forgiven for coming away with the impression that it is to Bernard Leach, its founding, principal and still its tutelary hero, we owe it all. The truth is, not quite so simple by the happiest chance a most useful corrective, concise in itself and elegantly put, is on show at the I. C. A. (until May 5).

Fast Forward is glossed as "*New directions* in British Ceramics." In a sense it is, for eight potters now in their thirteies or forties, and of fairly recent reputation, al stand by their latest work. Yet this exhibition is rather more than a mere celebration of the new: it is a gentle didactic exercise on *the part of its selector, Peter* Dormer, who, by his inclusion of five veterans, Bernard Leach among them, addresses himself to the more general, historical context, and to a particular critical point.

For though Leach was indeed a true original in his own work, and remains still in so many ways, it must be said that because *of what has since* been done in his name, his influence has not been altogether benign.

In particular be sought to reinvigorate and reinform his present practice and, by extension, the general studio practice of ceramics, by ancient examples, looking to China, Korea and Japan most of all. The exquisitely judged and refined aesthetic expressed through a yet natural vigour, which he cultivated in his studies in the East and through his *life-long* association with the Japanese master, Shoji Hamada, is as valid now as it ever was.

Michael Cardew (also in this show and one of Leach's most distinguished pupils) also delved even farther back into natural and unforced native practice, by long study with the tribes in the interior of Nigeria. This gave his work a robust simplicty and immediacv of purpose and an almost *sculptural* formal presence.

However that principled and disciplined approach can be debased easily by an uncritical following. In the experience of most of us Studio Pottery is now hardly more than the near-kitsch of the roadside, *soi-disant* Crafts Centre or the stall at the County Fair, the *standard* chunky mug, the goblets and the casserole, or *whatever one* can make for oneself in a winter evening class at the local *institute.* It is one of Dormer's deftest teases to place two such pots—inoffensive, undistinguished, sub-industrial—picked up at random in Covent Garden the day before the show opened, *beside the real Leaches*, Cardews and McCoys.

That we should make fools of ourselves by such a test is not the serious danger, so much as making the false assumption that there was no working tradition before Leach or that *there is nothing but his.*

The show's point is to give it the lie, which is a simple matter of expedient demonstration. Lucie Rie and Hans Coper are two of the veterans represented, immensely influential since the last war and the products not of a British tradition, but of the post-Secession Viennese. Of the younger potters only Svend Bayer now stands directly in the *line from Leach* and Cardew — indeed he was *Cardew's assistant for a time.*

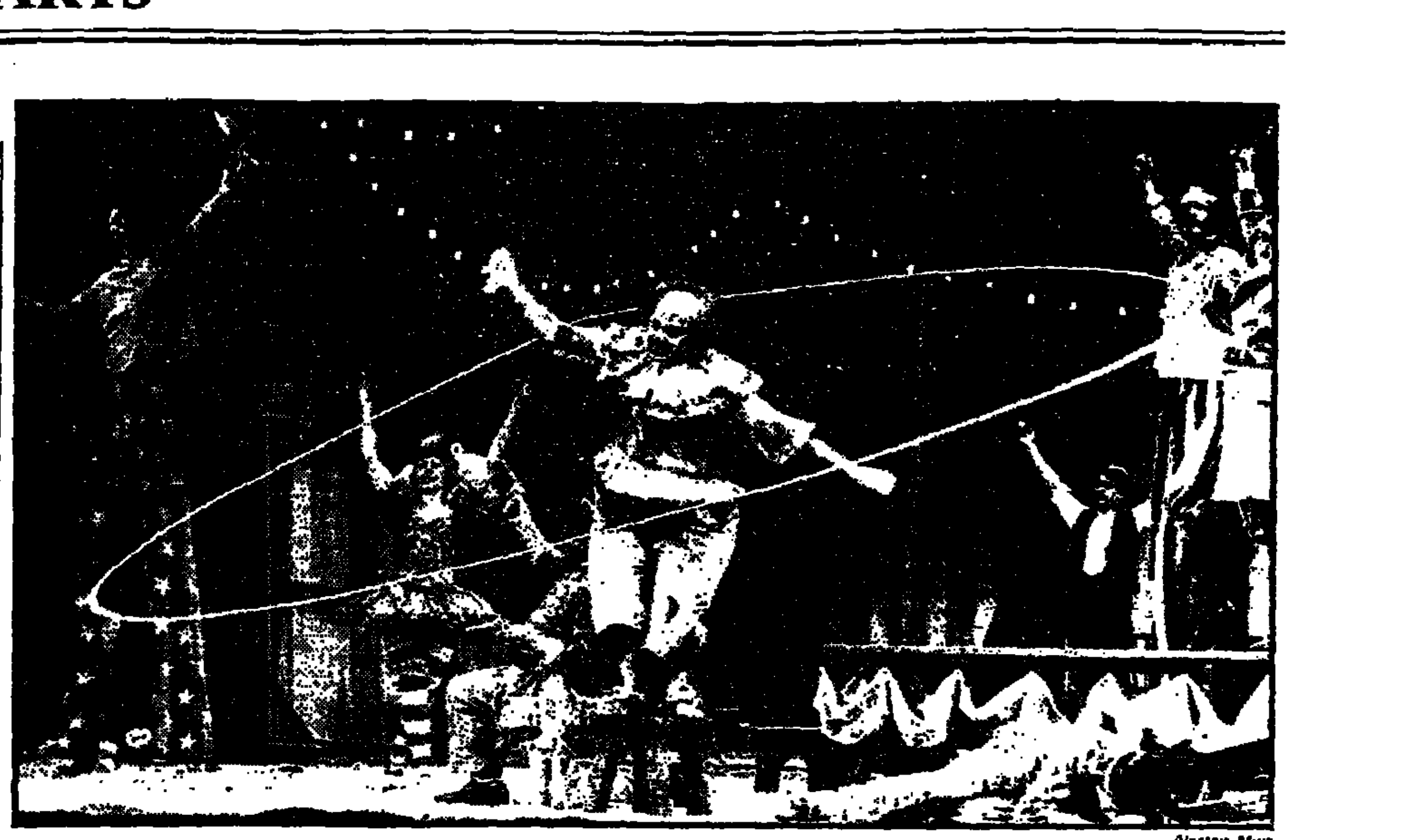
Even where there is by chance a common *interest* in another culture or historical example, it admits of a widely differing response and resolution. After all, Leach did no more than exercise a free personal choice when he went to Japan before the First World War to start afresh. If the fine domestic and Raku ware which then inspired him have their conspicuous virtues, Carol *McNicholl in the present day* has looked to a more idiosyncratic and particular historical example in the bizarrenesses of Oribe ware, that is named after a tea master of the later 16th century.

Eccentricity is no bar to *function and, for all its formal* asymmetry and quirky inventiveness, Wally Keeler's work is clearly useful. It remains intriguingly close, both aesthetically and functionally, to an older English vernacular tradition. Again the point is neatly made by setting the critical *example against the modern* piece. Our museums are full of *such once common*-or-garden stuff, simple, practical and beautiful, the unremarked jars and mugs and dishes we recover from almost every native site, by which archaeology defines our past.

Alison Britton, Jacqui Poncelet, Janice Tchalenko, Richard Slee, Svend Bayer and Elizabeth Fritsch are the others in mid-career, William Newland the other veteran. Poncelet stands almost alone, her work now more a sort of ceramic sculpture, close to Houshiary and Kapoor *among her* near-contemporaries by her amorphic, fetishistic imagery. The rest accept a functional constraint, more or less. Even Alison Britton, whose colourful, wonky slab-built jugs and pitchers grow ever more ambitious in their physical interest and presence and ever more sculptural.

Svend Bayer's are the biggest pots of all, as they are the most orthodox, though none the less personal for that — large, plain thrown garden pots and urns that will soon be quite large enough to hide any Arabian thief. Very handsome and unpretentious things they are. *Another batch of them,* the remainder of his present production, are to be found at the British Craft Centre in Earlham Street, WC2 (until April 27), where they share the gallery with the paintings of Breon O'Casey.

Pots by Svend Bayer at the ICA's main gallery (until May 5)



Scene from "The Bartered Bride" *Alastair Muir*

The Bartered Bride/Coliseum

David Murray

At the prospect of an average Bartered Bride, even the hardened *opera-goer's heart* must sink. While mature, tightly-laced persons interminably barter and are bartered, and the local *corps de ballet* prances in well-pressed smocks, Smetana's jolliest tunes wilt. Elijah *Mosbinsky's new production for* the English National Opera is much better than that, and it promises still more; with a brighter pair of village sweethearts, and shorter intervals, it should bubble just as the recipe prescribes.

The curse of peasant pageant *is lifted at thestart. With* Herbert Prikopa conducting the Overture as he does the rest of the opera—warm and idiomatic, never brittle—a rolling Czech landscape, like primitive Monet, rises above a homely string of tent-curtains. Once the curtains are shoved back to disclose the *action, the period proves to have* been gently moved forward. Not so far as to make the village customs unbelievable, but enough for decorous Western*isation to have set in*: colourful remnants of feast-day garb can be spotted among the *seedy suits* and bombazine, but rustic glamour is out. Whether the designer, John Bury, designed the costumes or just chose them, the result is plausible, endearing and funny.

When the famous Polka comes, and all the other cheerful dances, we get proper village festivities, not staged spectacle. *Youth cavorts, bumptious in*fants insist on being included, seniors prove that they can still remember the steps; one or two daring souls essay some Western rug-cutting. The choraographer, Eleanor Fazan, has devised all this charmingly. The travelling mini-circus that arrives for Act *3 is very tacky and very lively.* Great quantities of beer are *downed inelegantly* by almost everybody.

All the lesser roles are taken winningly. Besides the shifty circus people—nice cameos by Rosemary Ashe, Terry Jenkins and Mark Richardson — there are two ripe braces of parents: *pretty Marenka's are* Patrick Wheatley and Patricia Payne, anxious and awkwardly kindly; and Jenik's are the crusty Malcolm Rivers and the killingly respectable Anne-Marie Owens.

The lovers, I fear, are dull sticks here. So far as the singing goes, Penelope Thorn and *Edmund Barham (both making* their ENO débuts as principals) have their moments. I feel certain that Smetana expected lighter, more flexible voices; these singers sound happiest when they can be heftiest—the Thorn soprano, occasionally shrill at the top, is essentially *Wagnerian—and transmit little* character below the level of *forte*. It doesn't help that Miss Thorn looks valkyrie-ish and modern, and has refined stage diction; Barham, very dour, never capitalises upon his early-middle George Cole *persona.*

They are both honest enough that the final reconciliation acquires some emotional weight; but they don't know how to tease and, without that, the *romantic byplay of the first two* acts is tedious stuff. *The Bartered Bride* absolutely presupposes a central couple who are thoroughly appealing and knowing — and that could be quite compatible with the comic plainness of Moshinsky's down-market community. Indeed, with the translation sticking faithfuly to the repetitious original text, nothing less will really do: acting-by-numbers is no substitute here for sprightly *inventiveness.*

As the marriage-broker, Kecal, Stafford Dean contributes something considerably sharper, not *least in his exemplary diction.* There is the right tang of character in the voice, and he misses only the edge of rascalliness needed to justify (for our conscience) his being so roundly bamboozled at the end. Graham Clark's Vasek, a classic wimp rather than a village idiot, is better still, musical and ludicrous at once.

Mahler Festival/Festival Hall

David Murray

On Sunday the London Symphony decamped with their "Mahler, Vienna and the Twentieth Century" to the South Bank, where Claudio Abbado conducted them in Mahler's Symphony no 2, the "Resurrection," and in Wolfgang Rihm's *Dis-Kontur* of 1974. *Dis-Kontur* hardly deserved resurrection: it belongs irremediably to the *Neue Hässlichkeit of its period.* In full state-supported fig, it begins with nasty thwacks and ends with a tuneless, racketty march, and in between sets its immense orchestra to making an opaque hubbub in which no musical idea can be discerned.

It is an angry assault upon the audience, devised with a sort of negative sensibility — avoidance *of climax, deliberate refusal of* continuity, use of instruments in *their* unloveliest modes (but never to suggest any further point, like parody or even just expressive sense). Probably it's what a 22-year-old composer *should* write for a comfortable, well-cushioned audience in a state devoted to respecting Art as an upmarket commodity: *commissioned by the* Süddeutsche Rundfunk, *Dis-Kontur* is rather splendidly unmarketable. That said, it is still unrewardingly horrid to hear.

Mahler's Second was very upmarket, and it should have been more horrid. There was Jessye Norman to deliver the *"Urlicht" on a grand scale, with* magnificent authority, and Lucia Popp to float the lesser soprano part. The LSO itself was in far better form than at the first concerts of this festival, and the offstage bands were perfectly adjusted, and the chorus made a warm, *well-tuned sound. If the famous* Scherzo was over-excited and a bit imprecise, Abbado was newly sensitive in the little Andante; and his sterling control of all the parts of the giant Finale is impressive as ever.

It made, if you like, a satisfying experience, and great professional refinement went into it. But a "resurrection" can have only as much weight *of conviction as the death* which precedes it: Abbado's opening *Totenfeier* was no funeral march, but something vital, lithe, quick-stepping, full of passionate rhetoric — a big symphonic Allegro, untouched by grim mortality. Several sections which *can* speak of something *much darker shot by too* fast to leave a hint behind. Without a properly tragic base at the start, the later movements do not rise so high. Mahler expected the *Totenfeier* to be shocking and dismaying; *this performance went down so* easily that one was compelled *to respect the sentiments behind Dis-Kontur.*

Brodsky Quartet/Wigmore Hall

David Murray

The Brodsky Quartet is the excellent young team that won the European Broadcasting Union prize two years ago. At a time when fine young quartets suddenly abound, that is a serious honour. Their concert on Saturday, with the pianist Barry Douglas, confirmed their musicianship again—but it also prompted the thought that they *need to* develop a bigger, *more* forthcoming voice. There were moments when even the Wigmore Hall seemed a size too large for them.

Their best-integrated performance was of Bartók's Quartet no. 1. Its most searing passages were less than *molto appassionato*, but for *intimately* studied detail the Brodsky reaing was *distinguished, cogent* and sensitive. Haydn's F minor Quartet from the op. 55 set began with the slow Variations beautifully poised, and all the rest was shapely. The cellist Jacqueline Thomas was serenely imaginative, as she was also in the later pieces; the leader *Michael Thomas showed more* good taste than panache in Haydn's first-violin part, which really predicates frank soloistic flair.

It was the F minor Piano Quintet of Brahms that threw the Brodsky virtues and weaknesses into plainest relief. The *performance was not only* sympathetic but exciting, in general *effect. Granted that the piano* threatens to dominate any *account of this quintet,* an instinct for self-preservation should still have dictated — for example — much longer bows at the start of the Andante, where the strings sounded sadly wispy: Mr Douglas's full, deep piano-tone *left* the quartet bobbing on the surface. His every *expressive phrase* was *more* acutely curved than theirs — a bigger style, not merely a matter of playing too loud (in accompanying passages, he tried scrupulously to recede). One thus heard the music in long and close focus at *once, which* is as awkward as wearing spectacles with *one lens missing.* The Brodsky manner needs to expand.

Nissan to continue Philharmonia sponsorship

Nissan UK has given the Philharmonia Orchestra a major sponsorship to the tune of £400,000 which will take the *form of a grant of £100,000* over four years, starting in September, 1985.

This will cover all the Philharmonia's concerts at the Royal Festival Hall from September to December each year.

Nissan has sponsored the Philharmonia since 1979.

St. Matthew Passion/Festival Hall

Max Loppert

Two Matthew Passions in London on Good Friday: one in the original language at the Barbican and one in the vernacular on South Bank. I decided to go for the English-language one (given by the London Choral Society and English Chamber Orchestra conducted by Jane Glover), hoping that special influences from the day and the composer's anniversary year might feed fresh streams of dramatic excitement into the performance. I couldn't, alas, have been more deluded, or more disappointed.

Dr Glover had chosen the middle way, *in terms of* performing forces: a medium-sized chamber orchestra playing modern instruments (but lightly, without heavy-laden vibrato), choirs and boys' choir (from the Haberdashers' Aske School) large but by no means of antediluvian hugeness. All responded *well to the* conductor's secure control; there was no stodge in the textures, no plod or jogtrot in the rhythms. But there was also, it seemed to me, no passion (in all senses) in the unfolding of the drama. Dr Glover chose not to press one movement powerfully into the next, not to push forward the recitatives, not to vary the tempos of the arias to provide the moments of repose and reflection for which they are so wonderfully well calculated.

The Evangelist, David Johnston, intoned his lines with fruity gentility, drawing out even the simplest utterance (such as "And Jesus said") to heavy lengths; narrative urgency and directness seemed to be the least of his concerns, *as they were likewise of the* Christus, Richard Jackson (either in poor voice on this occasion, or else ill-equipped for Bach in general). With the *exception of Felicity Lott's* soprano arias and Phil Langridge's tenor ones, the air of unimpassioned mildness and good taste permeated every musical section — choral word-paintings, like the hair-raising second-choir interrogatives in the openng chorus, carried no *lightning charge, and elsewhere* the weakness of the LCS tenors did much to rob the inner parts *of their* proper tensile energy.

This was, in sum, a sadly "*safe*" *St Matthew Passion. Its* effect, which must have been far from its intention, was of a story told as though both the tellers and the listeners knew how often it had all been gone through before. That may, of course, be true; but if so, it should provide an exciting new *challenge, not a tidy excuse.*

London Oboe Trio/Purcell Room

David Murray

The London Oboe Trio, who gave a Westmorland Concert on Wednesday, consists of Douglas Boyd, Mark Pledger and Sarah-Jane Measures. Excellent players all, and of impeccable blend; as leader Boyd points their music with extra *brilliance where it's expected*, and Mis Measures cultivates the cor anglais with warm character. Oboists cannot, I believe, play continuously for the sort of stretch that for a violinist or a pianist may count as a mere warm-up, so the *programme* was tidily brief — but well-planned and contrasted, and varied not only by different combinations of oboe-family instruments but by *recruiting* a harp for the best modern piece.

That was Harrison Birtwistle's "Nick and Dinah's Lovesong," an epithalamium in which three cors anglais croon erotically over the time-marking harp *(Imogen Barford, perfectly* assured at the centre of things —Birtwistle wants the wind players widely separated). Tender and serious, it is much more than an occasional piece. So is Gordon Crosse's cooler, leaner "*Fear No More*," an *in memoriam* for the oboist Janet Craxton which echoes distantly Stravinsky's "Symphonies for winds" in its stately movement, its wide spacings, *and its white-note chords.*

John Lunn's newly revised piece for the Trio is jazzy and pungent, conjuring surprisingly full, complex sounds from the little band; it wants a title still. Also for this Trio are *Paul Reade's "Luckbarrow* Dances," expertly turned and crisp. The American composer Barney Childs is new to me, but his "Changes" (as in bell-ringing) makes pretty effects that don't outstay their *welcome. The one classical work* was Beethoven's C major Trio op 87—there can't be many others!—and it was delivered in exhilarating high style.

Arts Guide

April 5-11

Music

ITALY

Parma: Teatro Regio: The baritone Leo Nucci accompanied by Paolo *Marcarini, Pergolesi,* Paisello, Rossini and Donizetti (Wed). (22003).

Rome: Auditorium of via Della Conciliazione: Royal Philharmonic Orchestra conducted by Vladimir Ashkenazy. Brahms, Beethoven, Tchaikovsky (Thur). (6541044).

Rome: *Oratorio Delgonfalone:* Vicolo Della Scimia 1/b via *Giulia:* Giovan*ni di Stefano* conducting the Gonfalone Chamber Orchestra. Bach, Handel and Scarlatti. (Thur). (655952).

VIENNA

Vienna Symphony Orchestra conducted by Leopold Hager. Mozart, Beethoven, Brahms, Dvorak, Smetana, Johann and Josef Strauss. Musikverein (Mon). (658190).

PARIS

Orchestre National de France conducted by Kurt Sanderling, Stephen Bishop-Kovacevich, piano: Brahms, Tchaikovsky (Wed, Thur). Théâtre des Champs Elysées (7234777).

Daniel Barenboim, piano: Beethoven Sonatas (Thur). Salle Pleyel (5610630).

LONDON

Royal Philharmonic Society: BBC Symphony Orchestra conducted by Sir Charles Groves with Anne-Sophie Mutter, violin. McCabe, Sibelius and Shostakovich. Royal Festival Hall (Wed). (9283191).

English Chamber Orchestra and Tallis Chamber Choir conducted by Yehudi Menuhin, violin. Bach. Barbican Hall (Wed). (6388891).

London Symphony Orchestra conducted by Claudio Abbado. Webern, Boulez and Mahler. Royal Festival Hall (Thur).

London Concert Orchestra and Band of the Welsh Guards conducted by Harry Rabinowitz. Tchaikovsky. Barbican Hall (Thur).

NETHERLANDS

Rotterdam, De Doelen. Lunchtime concert by the Rotterdam Philharmonic under Alexander Rahbari, with Theo Bruins, piano. Wagner, Stravinsky. (Wed); The Rotterdam Philharmonic conducted by Alexander Rahbari, with Theo Bruins, piano, Michel Roche, cello, Aharon Ephrat, viola. Wagner, Stravinsky, Strauss. (Thur). (142911).

Utrecht, Muziekcentrum Vredenburg. An evening with Janos Starker, cellist (Wed). (314544).

Breda, Sacramentus Church (Zandberglaan 58). The Jesus College Cambridge Choir. Sheppard, Byrd, Taverner, Gibbons, Tallis, Purcell. (Wed). (139046).

Eindhoven, Globe Theatre. Paris Around 1200, Studio Laren with a programme of early polyphonic works by Leoninus, Perotinus and others (Tue). (11122).

NEW YORK

New York Philharmonic (Avery Fisher): conductor Zubin Mehta: All Mahler programme (Tue), conductor Klaus Tennstedt; pianist, Ivo Pogorelich; Blacher, Prokofiev, Schumann (Thur). Lincoln Center (8742424).

St Louis Symphony (Carnegie Hall): conductor, Leonard Slatkin; violinist, Joshua Bell; Verdi, Bruch, Shostakovich (Wed); *conductor, Leonard* Slatkin; pianist, Misha Dichter: Bernstein, Liszt, Dvorak (Thur). (2477459).

Endellion String Quartet (Kaufman Hall): *Mozart,* Bartok, Beethoven (Tue). 1395 Lexington Av. (4274410).

WASHINGTON

National Symphony (Concert Hall): conductor, Christopher Hogwood; Barry *Tuckwell, french horn:* All Mozart programme (Thur). Kennedy Center (2543776).

CHICAGO

Chicago Symphony (Orchestra Hall): conductor, Sir Georg Solti; flautist Donald Peck. Stravinsky, Gould, Beethoven (Thur). (4358122).

TOKYO

Das Tonhalle Orchester Zurich, conducted by Christoph Eschenbach. Rossini, Tchaikovsky. Tokyo Bunka Kaikan. (Mon). (5458348; 5459348; 5711689).

Earl Wild (piano): Weber, Schumann, Brahms, Chopin, Liszt. Nerima Bunka Centre Large Hall. (Mon). (2379990).

New Japan Philharmonic Orchestra, conducted by Seiji Ozawa, with Alexis Weissenberg. Gershwin, Bernstein, Hitomi Memorial Hall, Showa Women's College. (Thur). (2379990; 9806080).

Opera and Ballet

PARIS

Wozzeck *is conducted by Christoph* von Dohnanyi with Peter Gottlieb in the title role alternating with Soirée de Ballets. Paris Opera (7425750).

Rameau's Hippolyte et Aricie with William Christie conducting his baroque ensemble, produced by Pier Luigi *Pizzi. Aricie is sung by* Daniele Borst/Donna Brown; Diana by Veronique Dietschy/Marie Christine Porta. Salle Favart-Opera Comique (2960611).

Händel's Ariodante in co-production between the Théâtre des Champs-*Elysées' Milan La Scala and Paris* Opera. Jean-Claude Malgoire con*ducts: Production is by Pier-Luigi* Pizzi and choreography by Richard Caceres. Théâtre des Champs-Elysées (7234777).

NEW YORK

Metropolitan Opera (Opera House): James Levine conducts *Leonie* Rysanek, Jon Vickers, Simon Estes *and Kurt Moll in the season's first* performances of Parsifal, along with Lulu starring Julia Migenes-Johnson, Evelyn Lear and Kenneth Riegel. Franco Zeffirelli's production of Tosca continues, conducted by Giuseppe Sinopoli with Hildegard Behrens and Placido Domingo. Lincoln Center (3626000).

Martha Graham Dance Company (New York State Theatre): The world premiere of Martha Graham's Song and last year's world premiere of The Rite of Spring highlight the three-week season of mixed programmes featuring revivals of Appalachian Spring, Cortege of Eagles, Andromache's Lament and Judith. Ends April 21. Lincoln Center (8705570).

TOKYO

Vienna Volksoper, Kalman's Princess Czardas: 230-member company with soloists, Karl Donch, Adolf Dallapozza, *Mellanie Holliday, Mirjana* Irosch. Orchestra and chorus conducted by Rudolf Bibl. (Wed, Thur). Bunka Kaikan. (2827141; 5711689).

Kei Takei's Moving Earth: Modern dance by renowned ensemble from New York including Lazuro Brezer, *Robert Caraballo* and *Kei Takei.* Theatre Apple Shinjuku. (Thur). (2075588).

LONDON

Royal Opera, Coliseum: The new production of Rossini's Barber is a success – beautiful to look at and to listen to, and genuinely inventive within the bounds of the best comic-opera traditions. Stellar performances from Thomas *Allen,* Samuel Ramey, and Enzo Dara; the excellent conductor is Gabriele Ferro. The Don Carlos revival, which marks a disappointing return to the bad old Italian translation, has Luis Lima, Robert Lloyd, Ileana Cotrubas, Giorgio Zancanaro, and Bruna Baglioni (replacing Tatiana Troyanos) as its principals, and Bernard Haitink as conductor.

English National Opera, *Coliseum:* In the new production of Smetana's Bartered Bride, Penelope Thorn and Elizabeth Robson alternate as the heroine Marenka; the cast also includes Edmund Barham, Graham Clark, and Stafford Dean, and the conductor is Herbert Prikopa. Further performances of Fidelio, with Elizabeth Vaughan taking over in the title role.

ITALY

Rome: Teatro dell'Opera: Adriana Lecouvreur by Francesco Cilea with a cast including Raina Kabaivanska, Florenza Cossotto and Giuseppe Giacomini conducted by Giuseppe Patane. (461755).

VIENNA

Staatsoper. Faust in an unusual and visually extravagant production directed by British film maker Ken Russell, conducted by Binder, with Raimondi, Weikl and Stajne; Parsi*fal; The Sleeping* Beauty, *choreography* Nurejev, conducted by Richter; The Magic Flute; The Barber of Seville, conducted by Zedda with Baltsa, Ghiaurov, Taddei.

NETHERLANDS

Amsterdam, Stadsschouwburg. Balanchine programme from the National Ballet. Apollon Musagète (Stravinsky), Tombeau de Couperin (Ravel), Theme and Variations (Tchaikovsky). (242311).

WEST GERMANY

Berlin, Deutsche Oper: Siegfried, a *Götz Friedrich* production, has Tony Krämer in the title role. The Magic Flute is a well done repertoire performance. Hoffmann's Erzählungen, sung in French, has the young, talented Lucia Aliberti and Neil Shicoff. (34381).

Sponsorship/Antony Thorncroft

Aberdeen lights TSB

A group called "The Northern Lights" from Bankhead Academy in Buckburn, Aberdeen, won the TSB Rock School Final last week. For five years, TSB (*once known as the* Trustee Savings Bank) has sponsored this competition for schools, which is the major regular commercial sponsorship of pop music.

It costs TSB £180,000 a year, a substantial *sum; but it has* brought it TV coverage on about 20 *occasions* as well as extensive radio exposure and more than 1,000 press articles. It also fits ideally into TSB's arts sponsorship criteria—the event must be national in coverage, tailor-made to TSB and appeal to youth.

The arts sponsorship, which has a total annual budget of more than £250,000, is part of TSB's marketing *drive that* has taken it from a predominantly northern *savings bank to a sub*stantial national financial institution which plans to go public within the year. While heavy advertising (£8m a year) sells the TSB's services, sponsorship —sport as well as arts—gets the corporate identity better known both among the key C1-C2 young potential customers and the smaller businesses that TSB is now interested in signing up as corporate accounts.

It has recently moved into classical music sponsorship; but before *committing* itself to a national programme, it carried out three test marketing exercises. In Aberdeen, it held cushion concerts, on the lines of W. H. Smith's at the RA; in Manchester, there were lunch box *concerts, with £2.50 buying* lunch as well as music; and, in London, there was a link with Youth and Music. Each test cost around £10,000; they were successful enough for TSB to extend the cushion concerts *throughout Scotland this year* and to bring the lunch boxes to the Barbican in London.

TSB researches its sponsorships but does not expect any tangible benefit—it sees them as a way of giving something back to the community. It is also more concerned about the artistic achievement than audience size. It intends to *build on its classical music links* and this year has the opening *concert, with the LSO, in the* City of London Festival. But *it is also continuing with its* free concerts in the Guildhall concourse, which attracted 10,000 people to the most successful events last summer.

In terms of cash, TSB is not the biggest supporter of the arts in the UK, although it must be among the top dozen. It is interesting because it has precise ideas about the type of sponsorship it will support and what it wants from the link. It *is now looking at modern dance,* but its budget is unlikely to be increased to take on many new commitments.

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Fairer prices for energy

THE SOUND and fury which echo through the published responses of Britain's energy utilities to the Government's proposals to tighten controls on nationalised industries signifies something, if not quite what the utilities are suggesting.

As British Gas puts it, the proposals "are seen as a means of ministers assuming detailed control of nationalised industries and finding new ways of taking additional cash from successful industries and their customers."

While this is overstated, it is true to say that the critical business decision in a utility is to set prices. If government has too much power, then distortions will result — consumers will pay backdoor taxes on their gas and electricity bills, or they will pay insufficient to fund the true cost of their services.

Equally undesirable, however, is excessive power for the utility. British Gas's success in holding down gas prices in the 1970s produced distortions of another kind, with bad consequences for the allocation of economic resources, the development of the North Sea and energy conservation.

There have been numerous attempts to resolve this difficulty. On the one hand, Government has striven to define workable economic principles for setting prices; on the other, it has set financial targets and external financing limits for the utilities, designed to complete the corset within which the industries are expected to operate.

Real focus

But it has become obvious in the last two years that the annual attempt to agree these matters between the industries and Whitehall are no more than contests of political muscle. The Treasury argues for large price rises and big payments to the Exchequer; the industry argues for small ones. The fiction that the two sides are seeking to apply any given principle, such as long-run marginal cost pricing, is scarcely even maintained these days.

The argument in favour of this approach is that it reflects the real focus of responsibility for such decisions.

The weakness is that such a political bargaining process is likely to be influenced as much by irrelevant factors, such as political personality or generalised horse-trading between departments on other issues, as by economic considerations.

The status quo also means that broad issues of national policy—such as the current desire to increase gas prices relatively more rapidly than those of electricity in order to soak up surplus generating capacity—are unarticulated and beyond challenge. It becomes possible for one government wanting to please the mineworkers to hold back electricity prices in the interests of stimulating coal burn or for another to permit low gas prices, knowing that the market power achieved in the central heating market will then be unshakeable, to the consumer's disadvantage.

Better solutions

In search of better solutions, the Government has thrown a library of reports by the Price Commission, the Monopolies Commission and other agencies at the gas and electricity industries in the last decade. The strong suspicion persists in the mind of the Government that the goal of efficiency is still far from attainment and likely to remain so until some form of competition is introduced.

But privatisation is a medium-term issue. In the meantime, the Government should seriously examine the case for creating a public utilities commission, whose task would be to regulate prices for gas and electricity, to deal with consumer complaints and to encourage greater efficiency.

There are many models available for study, most obviously in the U.S., where the bulk of the industry is in the private sector, regulated by state utility commissions. In the UK, initial experience with Oftel, the telecommunications regulator, has been quite encouraging.

U.S. public utility regulation has acquired a bad name in recent years, sometimes because the commissions have been "captured" by the industries they are supposed to be controlling, sometimes because they are so dominated by consumer interests that they undermine the profitability of the business. Yet in gas and electricity, with or without privatisation, some degree of monopoly power over prices is unavoidable. That power has to be regulated. It is better for the regulation to be public and subject to known rules than to take the form of private horse-trading between ministers and the heads of the monopolies.

Mitterrand at bay

PRESIDENT Francois Mitterrand is sure to come under fire for gerrymandering because of his plan to switch to a carefully devised system of proportional representation (PR) for next year's French parliamentary election. Faced with the danger of a sharp swing to the Right and the return of a majority in the National Assembly hostile to him, M Mitterrand has plumped for a system which he expects to moderate that swing and leave the Socialists, though in a minority, as the largest party in the parliament. The opposition is calling "foul," but the President can justify himself by pointing out that in the programme upon which he was elected in 1981 he undertook to introduce PR. In any case, frequent changes to the electoral law have been characteristic of French democracy in the past 100 years and more.

M Mitterrand's philosophical argument, which it is hard to reject, is that PR tends to result in a parliament giving a fairer reflection of the variousness of public opinion than does a majority system—be it on the British winner-take-all pattern, be it its French form. Under the present French system members are returned from individual constituencies after two rounds of balloting. The first round reveals party strengths. The second enables kindred parties to line up behind a joint candidate of their choice. The result has been to produce an Assembly with two large blocks: on the left the Socialists, initially, but no longer, backed by the Communists; on the right an alignment of more or less orthodox Gaullists led by M Jacques Chirac, and of centrists associated with the former President, M Valery Giscard d'Estaing.

Third force

M Mitterrand's tactics, as distinct from his philosophical concept, concentrate upon loosening the alignment of Gaullists and centrists by cutting out the alliances characteristic of the second round polling of the present system. Beyond that he hopes that a "third force" may emerge to dominate French politics by a coalition—formal or not—between Socialists become social democrats and reformists to their right, especially among the Giscardiens.

That argument can be turned around. M Michel Rocard, who was M Mitterrand's rival for the Socialist nomination in the election of 1981 and who hopes to be put up in the next presidential election in 1988, has done so in a closely reasoned newspaper article. He is afraid that PR, as now envisaged, will not overcome the historic divide between Left and Right. On the contrary, he argues, deprived of all hopes of a working majority, the Socialists might become dependent upon Communist support. Likewise, on the Right, the chauvinist National Front will gain admission to the National Assembly and sooner or later may be courted as an ally by the present opposition parties.

Basic concensus

Only events will tell who has the right short term analysis. In the longer run, the argument shows how sceptical one needs to be about changes to the electoral system as a means of political and social engineering. The Third French Republic had an electoral system akin to the present one, admittedly without a constitutionally strong presidency. Yet its party system was heavily fragmented. The fourth, post-war republic had PR and was equally unable to produce the kind of basic consensus which is an implicit objective of M Mitterrand's.

In M Mitterrand's France the real turning point had nothing to do with electoral law. Realities forced the President on to a social democratic rather than a socialist course. Without that, the widely-based consensus which he now aims at would have been unattainable.

The realities of a society rather than its institutions determine whether it can achieve that measure of consensus without which democracy will not flourish. As British history shows it can be done through the alternations of a two-party system. It can also be done, as in West Germany, through the deals and compromises of a coalition system.

SINO-SOVIET TALKS

Brana Radovic

Why Russia worries about even a friendly China

By David Buchan and Colina MacDougall

TODAY sees the start in Moscow of the sixth round of Sino-Soviet talks, the slow diplomatic two-step aimed at narrowing the 25-year-old split between the two communist giants.

But it is also the first negotiating session since the accession to power of Mr Mikhail Gorbachev, whose very first speech in office called for "a serious improvement" in relations with China.

Moscow's overall goal is at least to detach Peking from what it sees as the growing and disturbing "correlation" of pro-American forces on or near the Soviet Union's long Asian borders. Superficially, no other major issue facing Mr Gorbachev—certainly not the long hauls of reviving the Soviet economy or negotiating arms control with the U.S.—seem so amenable to a quick solution as normalising relations with China. As a 54-year-old in a hurry to make his mark, Mr Gorbachev clearly wants to take an early step in this direction, and, unlike his predecessors, may be intrigued, perhaps even envious, of China's new economic reforms.

But, as any Politburo discussion would reveal, the road to Sino-Soviet rapprochment is still full of pitfalls.

Imagine the scene around the Kremlin table. Mr Gorbachev and his Politburo colleagues might first turn to a general, perhaps General Ivan Tretyak, the Far East commander, for the strategic overview of Asia.

He would trace recent Soviet gains—proxy dominance through Vietnam of Indochina —and losses—greater defence efforts by the strongly pro-American Nakasone government in Japan. But principally, he would bemoan the burden imposed by having to deter and/or intimidate an unfriendly China. Most of the huge Soviet arsenal in Asia, 50 divisions and 150-160 SS-20 missiles, are strung out along the Sino-Soviet border. Can't anything be done, politically, to neutralise China?

For the answer to this question, the Politburo could then turn to a senior and, on this issue, very authoritative government official, Mr Ivan Arkhipov, the first deputy prime minister. An old China hand from the 1950s era of Sino-Soviet co-operation, he visited Peking last December, the highest-ranking Soviet to do so for 15 years.

His message would be mixed. Yes, there is substance behind the words of Chinese Vice-Premier Li Peng to Mr Gorbachev, when they met at the Chernenko funeral in Moscow, that China is serious about improved relations, particularly for the moment in trade. Mr Arkhipov's own visit produced agreements on Soviet modernisation of some Soviet-installed factories in China, and promise of joint economic commissions and a long-term (1986-90) trade accord to lift two-way commerce above its planned $1.4bn level this year.

But no, even if the Chinese leadership now addresses Mr Gorbachev as "comrade," there is still no sign of the political breakthrough that could revive party, as distinct from government, relations between the two countries. China still wants Soviet troops out of Vietnam and Afghanistan and thinned-out on the Chinese border, before the political climate can really warm up.

This is a price that the past three Soviet leaders have not been ready to pay, and Gorbachev, who has demanded "reciprocity" of the Chinese, has not so far shown himself any more conciliatory. He has still to establish himself with his own powerful military constituency, which is not going to want to cancel ongoing operations (Afghanistan) or cede gains (Vietnam) in advance for the still nebulous prospect of genuine Chinese non-alignment in any global confrontation with with the U.S.

So, it was clashes between Chinese and Vietnamese troops last May that led Mr Arkhipov to cancel his planned trip to Peking then, and later in the year Mr Vladimar Dolgikh, a Politburo member, went to Hanoi to tell the Vietnamese that Moscow would not normalise relations with Peking "at the expense and against the interests of our friends and allies."

So, if all else were equal, the impasse would be certain to continue. Both sides demand reciprocity, which to Peking means wholesale acceptance, and to Moscow wholesale abandonment, of the Chinese preconditions. On the diplomatic board, the Soviets still seem to be playing chess, and the Chinese mah-jong.

But other factors are changing for the worse, from Moscow's viewpoint. The late President Chernenko summed up the growing Soviet disquiet last autumn when he complained that the U.S. was creating "some kind of Nato eastern branch" in the region. The overweening Soviet preoccupation, around the world, is with the U.S., the mirror-image of the U.S. preoccupation. What the Soviets particularly dislike is the forward penetration into the East Asian land mass of the U.S., which they complain is not even an Asian power whereas three-quarters of the Soviet Union lies in Asia.

Washington has a close alliance with militarily expanding Japan, a sizeable army in South Korea, a developing strategic understanding with China, and good friends and allies to the south, in Hong Kong and the Asean countries. Even the distant disarray in the ANZUS pact is not rebounding directly to Moscow's benefit.

Only to the north, from the Bering Straits, around the Kamchatka peninsula (used for missile testing), across the Sea of Okhotsk (over-defended, witness the 1983 shooting down there of the South Korean airliner), down to Vladivostock (home port of the Pacific fleet), is the Soviet line of defence simple and solid. But China's continued refusal to adopt a common "class position", as Chernenko put it, against "imperialism," coupled with the Soviet traditional penchant to "overinsure" militarily against its neighbours, imposes a huge extra burden.

Far from making common class cause, China now takes some "defensive" weaponry from the U.S., this year invites U.S. frigates to call in at its ports, and swaps defence official visits with a Reagan administration that, to cap it all, still supports Taiwan.

The only Soviet chink in this "Nato eastern branch" is Indochina, where Moscow backs Vietnam (which in turn controls Laos and most of Kampuchea), and in return gets naval and air facilities at Da Nang and Cam Ranh Bay. But their utility, mainly for reconnaissance, in broader Soviet strategy is minimal and far outweighed by the way the Soviet presence there needles China to the north.

Russians increasingly bemoan the "strategic triangle" they face in the Far East—China, Japan and the U.S. China is the only element in this triangle they can conceivably hope to prise loose.

Relations with Japan have been cool ever since Mr Yasuhiro Nakasone took office in 1982, and indeed are unlikely ever to improve much as long as the Japanese insist on, and the Soviet refuse, the return of the Kurile islands occupied by the Soviets in 1945. Heavy-handed Soviet behaviour (destruction of the South Korean airliner, for instance) has enabled Mr Nakasone to breach many of the Japanese taboos on defence spending.

Successful Soviet wooing of Peking might also dry up the newly-increased flow of Western hi-tech to China. The Nato and Japanese members of the Co-ordinating Committee (CoCom) agreed in February on the need to speed up the export licensing of sensitive technology, whose military potential would normally prohibit its sale to Communist countries, but which, CoCom feels, can be trusted now in Chinese hands. Peking appreciates this double standard on the part of CoCom, but Moscow, for obvious reasons does not.

However, as significant as the security threat from a China getting increasing amounts of Western hi-tech that will indirectly modernise its antiquated military armoury, is the potential challenge posed to the Soviet system by China's wide-ranging economic reforms, creating freer enterprise in farming and services and some price flexibility and planning decentralisation.

The threat to Moscow is not that China will become overnight a "capitalist roader." Russians know enough about the power of entrenched Communist party *apparats* not to fear that, though the reforms are opening China up to Western commercial influence, as Mr Arkhipov saw for himself when he visited the Shenzhen foreign investment zone.

Nor is it so much that the unleashed initiative of 1bn Chinese will suddenly turn the country into an economic superpower. Mr Deng Xiapong has that ambition for his country by the end of the century, but the 81-year-old leader will probably not be around then and the many expert Sinologists in the Soviet Union are wary, rightly from China's past vagaries, of Peking's policies staying consistent that long.

The challenge is more insidious. It is that successful decentralisation in the world's most populous country could (a) make China, rather than the Soviet Union, the model for what remains of the world Communist movement, and (b) shake, by example, once and for all the inertia of the "change-nothing" central planners in the Soviet Union.

If the Chinese reforms fail, and there are signs now of a political backlash against private wealth, the challenge will never of course materialise. But it will surely, if they succeed — and Chinese agriculture (the first sector to be reformed) has boosted output by 60 per cent in six years and, just to rub the lesson in, is now exporting to the perennially food-deficient Soviet Union.

Mr Gorbachev is uniquely well fitted, among his predecessors or erstwhile rivals in the Kremlin, to rise to the challenge. Being of the younger, less ideological and more technocratic Soviet generation, he is less likely to start slanging slogans at China and appears keen to move the Soviet economy at least some way down the reform road China is now following. But the Chinese challenge should not be underestimated.

Certainly, times have changed since China under Mao and the Soviet Union under Khrushchev and Brezhnev each claimed to be keeper of the true faith—like the rival Rome and Avignon Popes of the Middle Ages—and branded each other heretics. Mao's death in 1976 eased the worst of the ideological tension. Each régime has become more pragmatic. The Chinese now say that men born in the 19th century — Marx and Lenin — no longer necessarily hold all the answers to problems of the late 20th century.

Privately, they soothe Soviet sensibilities by saying that in inviting Western capital in they are only doing what Lenin did under his New Economic Policy (NEP) in the 1920s. Russians like to hear, even if they do not really believe, the implicit admission that China is thus 60 years behind the Soviet Union.

For their part, the Soviets have become more tolerant of the economic variants their fellow communists practice—provided the party's leading role stays intact and the commanding heights of an economy—however decentralised — stay formally in state hands. China looks likely to fulfil both these conditions indefinitely.

Up to a point—which Mr Gorbachev may now take further—Moscow is also willing to learn from others. It has an official commission studying economic reform in Eastern Europe —where, in particular, Hungary and, surprisingly, East Germany, have expressed open and positive interest in the Chinese changes—and may, in that way, have the lessons of China fed back to it.

Soviet planners tend to dismiss decentralisation in small East European states as untranslatable to their vast country. They will not be able to dismiss lightly the Chinese example. But they will say that the Soviet economy is more complex, because more highly industrialised. A reason, one might think, why economic decentralisation is even more apt in the Soviet Union—except for the political risk.

Populous though China is, it is far more homogenous culturally and ethnically than the vast multinatioal Soviet Union, with Balts to Kazakhs, Georgians to Eskimos, having very little in common other than being held tightly together by the centre.

Yet the Chinese reforms may be as hard to tolerate as to learn from. The Soviets may be disappointed if they deduce from the Chinese analogy of Lenin's NEP that China's new private sector will grow only eventually to disappear, as it did in the Soviet Union.

In China, as in Eastern Europe, communism is only half as old as in the Soviet Union and never crushed the spirit of private enterprise so completely. There is thus the risk of a new ideological irritant between Moscow and Peking, leading to a serious deterioration, rather than improvement in relations between the two communist giants.

Men and Matters

Page writes broking deal

The £533m insurane broking merger of Fred S. James of the U.S. and the London and Sedgwick Group is cosier than it looks.

A prime mover in securing the link-up has been Dick Page, 52, president and chief executive of James, who until the end of last year was chief executive officer of the Alexander Howden operations of Alexander and Alexander, another insurance broking giant which has been involved in on-and-off talks with Sedgwick since 1978.

Page moved to James at the beginning of this year and the merger talks gained considerable impetus with his arrival.

Page was charged in his former role with unscrambling the mess at Howden after Alexander and Alexander's controversial merger with the London group. He left A and A, ironically, just as the group was attempting to implement another merger—this time with Reed Stenhouse, the Canadian broker—which now seems to have run into trouble.

After the traumas of the Howden merger and the discovery of all manner of exotic insurance arrangements which seemed to benefit key staff, was Page sanguine about being involved in another link with the London market?

"The experience has been useful," he says. "But we have done the usual audits."

Heavenly spare

The EEC's wine lake and butter mountain are not the only manifestations of overproduction by the wealthy countries. This week should see the carefree injection into orbit of the first space satellite for which absolutely no one has a use.

The company involved is Telesat, which is jointly owned by the Canadian Government and telecommunications companies.

It started developing its Anik C2 satellite back in the late 1970s when projected demand for telecommunications with space vehicles was relatively high. Now the time comes to end it on its way, Telesat, which already has several other satellites in orbit, finds it has no need for the new baby.

But the company is going ahead with the launch anyway on the grounds that it has struck a $13m bargain-basement deal with the U.S. space authorities for taking the satellite into the heavens on a space shuttle.

The Canadian company says it will keep its new satellite on standby and look for a customer.

Travelling man

Alva O Way, aged 55, has proved himself a fast and frequent mover on the big business scene since he gave up a 28-year career with General Electric of the U.S., where he became senior vice-president in charge of finance in 1977.

Way has just joined Schroders, the merchant bank, as a director, bringing to the bank his long experience of corporate finance and insurance. He is also a director of Travelers Corporation, and chairman of the finance committee of that company, as well as being a director of McGraw-Hill, the Dayton Hudson Corporation, the drugs firm Eli Lilly, and Ryder System Inc.

Way resigned from the presidency of Travelers, the third largest stockholder-owned multi-line insurance group in the U.S., for what he said at the time were personal reasons. That was just three months ago.

He had arrived at Travelers just two years early. He quit the presidency of American Express to take the number two Travelers job at that time. He has helped nurse Travelers through one of the U.S. insurance industry's worst depressions.

". . . but I don't have to explain our disruptive action to a schoolmaster, do I sir?"

Bingo fooling

The April Fool's Day bingo hoax perpetrated by the Guardian had a certain method in its madness.

The April 1 issue of the paper carried details of its new Gourmet game which included various bargain offers and prizes. Part of the joke—a nice touch this—was to leak "news" of the bingo venture to its rival, The Times. And, on the day of the announcement, the Guardian thoughtfully provided the phone number of the Daily Mirror for its would-be punters to ring.

But now I hear from one of the Guardian's putative bingo-callers that some members of the paper's management are, in fact, keen to launch a real-life bingo game with the object of selling more papers.

They are impressed in some corners of the Guardian boardroom by the way The Times' own game has boosted circulation.

Predictably, the whole idea is anathema to the editorial staff who feel it would lower the tone of their tablet. Peter Preston, the editor, is said to be among those who are firmly against the notion.

Some Guardian writers hope that the spoof game announcement will have killed off any plans for a real game—on the grounds that the paper might look silly if it now launched the genuine article.

Slow show

The good news for travellers to Indonesia is that Jakarta has a brand-new international airport. The bad news is that it only has one public telephone (out of order), many taxi drivers get lost on the way from the city, and during its first week's operation planes were seen wandering round the tarmac unable to find vacant bays.

International travellers have been mystified to find no customs checks. Domestic passengers unloaded at the international terminal have been equally mystified to be asked for their passports. Some airport staff have given up in frustration and gone home.

It is believed the Indonesian government rushed to open the airport, built by a French consortium, so as to have it as a show-piece when delegates arrive for a special commemoration of the 1955 Bandung conference later this month.

Delegates, says an FT man on the spot, would be well advised to take the train to Bandung. One recent traveller took two hours to get out to the new Jakarta airport, and three hours waiting for his plane, to make the 30-minute flight.

Fit to govern

Lee Kuan Yew, Singapore's veteran prime minister, incautiously asked Mrs Margaret Thatcher yesterday whether she was accompanied by a doctor on her whirlwind travels. She flashed back: "I never bring a doctor—I think I would finish up looking after him."

Observer

Foreign Affairs:

The Foreign Office

Beleaguered by a host of carping critics

By Ian Davidson

ONE OF the oddities of Britain is that the Foreign Office, like the British Broadcasting Corporation, enjoys a much better reputation abroad than it does at home. It is particularly odd, because the popular pastime of rubbishing the FO and the BBC bears so little relationship to any known or ascertainable facts.

As for the unpopularity of the Foreign Office, listen to Viscount Etienne Davignon, distinguished Belgian diplomat and former member of the Brussels Commission:

"I have been in touch with British diplomats in a number of capacities for the best part of 25 years, and I have always believed that your Foreign Office is the best organised foreign service machine in the world. What has always bothered me has been, how such a good machine, with quite remarkable people, has a reputation which is not as high in some areas as the French or others would be.

"I have never found a very good answer to this. I am still asking myself the question."

The quotation comes from a new book about the Foreign Office, called With Respect, Ambassador, which has been put together by Simon Jenkins and Anne Sloman. I say "put together," because it is an expanded version of a series of radio programmes, largely based on interviews with British diplomats in various parts of the world, which were first broadcast just over a year ago.

Much of the sniping at the FO comes surreptitiously from other Whitehall departments. So, just in case Stevie Davignon can be written off as just another Anglophile Belgian, here is the view of Peter Pooley, a long-term alumnus of the Min of Ag and now a top official inside the European Commission:

"On the whole I'm an admirer, not an extravagant admirer" [that would be very un-British . . .] "of the British Foreign Office as compared with other diplomatic services that I see operating here and have seen in other parts of the world. They are very much amongst the most professional."

Jenkins and Sloman identify a number of contributory strands in the sniping at the Foreign Office. One is its imputed elitism, with a disproportionate share of the top-calibre candidates for Civil Service jobs, and a high proportion of public school and Oxbridge graduates (50 per cent in each case). Another may be downright envy at the perks of the diplomatic life, with glamourous globe-trotting made comfortable by boarding-school allowances and (in some places) servants.

But a third strand may derive from the steady erosion over the decades of Britain's relative position in the world; the assumption that when something goes wrong abroad, it is the fault of the Foreign Office; and, in its most extreme form, the accusation that the Foreign Office is so keen to avoid conflict with foreigners that it will take their side rather than stand up for British interests.

Naturally, the diplomats deny the validity of these accusations. But the bok suggests that, over and above the nostalgia of backwoodsmen who believe in "toughness, the third criticism may have acquired colour from the fact that diplomats spend much of their time abroad, may get out of touch with political sentiment at home, and usually have much less to do with domestic political battles than their counterparts in the Home Civil Service.

By itself, the charge of elitism is pretty pointless; I have come across Foreign Office officials who are aboslutely brilliant, and others who are less than brilliant. The real question is not even whether the Foreign Office gets more than its share of high-fliers, but whether the diplomatic service is over-qualified for the work it has to do.

The 1977 Think-Tank report on Britain's Overseas Representation took a highly critical stance on this issue. It questioned whether the high calibre of the service was justified "by either the importance or the difficulty of the work that the Diplomatic Service does;" and it claimed that the overseas posts "acquire and analyse political information about overseas countries to a standard which is out of proportion to the UK's ability to make effective use of of the information."

Above all it made a central distinction between foreign work, which it equated with active negotiations in particular international situations, and political work, which it equated with the regular maintenance of good relations with, and understanding of, foreign countries.

"Any post . . . needs to be informed about its country's internal politics and about any external developments which may impinge on the internal scene. In most countries this information can be fairly easily acquired from study of the local media and conversations with local contacts and diplomatic colleagues . . . But in most countries no special skill is needed to acquire a basic knowledge of where power lies and what the prospects are (which is all most visiting officials and businessmen want to know.")

That must be one of the silliest paragraphs ever to have appeared in print. It implies that all the Foreign Secretary really needs is a fairly recent edition of Whitaker's Almanack. But any journalist who has spent time in foreign parts trying to discover "where power lies and what the prospects are," knows that the answers can be very elusive. In many countries there is no free press; in many more the press may be biased or incompetent.

To be sure, in normal "peacetime" conditions, diligent diplomats will learn far more about their temporary homes than they or the Foreign Office can possibly turn to profitable use; there is obviously, therefore, a problem in excessive reporting of everyday events. The Jenkins-Sloman book confirms what might be expected: that diplomats, like journalists, can suffer from "foreign-correspondentitis"—they beaver away on their allotted patch, file regular dispatches, yet too rarely learn if anyone in London either notices or cares.

But while there may, in "peace time," be problems of morale and motivation, and of the bursting files in Whitehall the purpose of the machine is only tested and justified in abnormal "wartime" conditions. Then the problem is not too much expertise, but too little.

When Mrs Thatcher raised university fees for foreign students, did she foresee the political explosion in Malaysia? Presumably not. This insouciant failure of political intelligence cost her, and her dipomatic machine, a tidy amount of effort to repair the damage.

Would Sir Anthony Parsons, then ambassador in Tehran, claim that in 1977-78 he was over-informed about where political power lay and what the prospects were? Hardly. Unfortunately he was committed by London to the myopic policy objectives of supporting the Shah at all costs and promoting British exports.

And what about the profundity of British political intelligence about the intentions of the Argentine junta in the early months of 1982? The less said, the better; and we shall pay the price for a long time to come.

The problem is not that British diplomats are over-qualified; still less that their task is laughably easy; but that penetration of the subterranean reality of foreign countries, in the unpredictable times and places where it really matters, requires a degree of diligence and a variety of talents which may be hard to assemble and motivate, and even harder to reconcile with the humdrum routine of protocol and administration, to say nothing of the regular stresses attendant on being an itinerant expatriate.

The BBC book gives a fairly vivid kaleidoscope of the diplomatic life, and the composite picture is rather less aluring than envious detractors would imply. With the speed of modern communication and travel, more and more of the negotiating function can be undertaken direct from London. The regular entertainment of strangers may be necessary, but it is not necessarily either amusing or informative; boarding-school fees may be a rich and controversial perk, but not all parents enjoy being separated from their children.

One recommendation in the book is that there should be more integration between the foreign and home civil services. More and more diplomatic activity revolves around the "twin pillars" of the European Community and the Atlantic relationship, and more and more of the "diplomats" here are in fact specialists from home departments.

But to deduce, as some do, that there should be a total merger is surely to miss the point. Home civil servants acquire expertise in defending a departmental interest; through the honing of inter-departmental committees, they may also defend a national interest. But there ought to be a place for an institution whose function is to study the long-term national interest in the context of an international arena of conflicting national interests.

If there were a free-for-all, with domestic high fliers getting most of the plum postings in Europe and America, and the "diplomats" slogging it out in the Third World, we should risk getting an even worse service in tomorrow's equivalent of Tehran, Kuala Lumpur and Buesnos Aires.

As a journalist, I feel some affinity for the wandering diplomats. But there are two differences: the stuff I write may be as disregarded as the stuff they write, but at least it is disregarded by a larger readership. Also the diplomats' political masters have a pretty low view of what the Foreign Office is for; even after 12 years inside the Community, too many politicians still think its purpose is to fight foreigners. No wonder it is beleaguered by carping critics.

With Respect, Ambassador; Simon Jenkins and Anna Sloman BBC; £7.50. Review of Overseas Representation; Central Policy Review Staff; HMSO 1977.

Sir Geoffrey Howe, Foreign Secretary.

Lombard

Stock Exchange feels the heat

By Barry Riley

COMPETITION and regulation are the twin horses the Government is attempting to ride in promoting its new investor protection policies. But it is not clear that these two bucking broncos can easily be harnessed together. The latest move by the London Stock Exchange gives just a hint of the kind of troubles which could build up in the not-too-distant future.

Mr Jeffrey Knight, chief executive of the Stock Exchange, wrote to the Bank of England and the Department of Trade on March 18.

In the letters he warned that the increasing volume of trading in UK listed securities outside the central market place is putting severe pressure on member firms. According to Stock Exchange plans, these member firms will have to wait a further 18 months, until October 1986, before they can compete on the basis of dual capacity.

Until then, jobbers can only job and brokers can only broke. But outsiders, of which the merchant bank Robert Fleming is at present the most important, can already trade in dual capacity. They are proving highly competitive.

The threat is that angry brokers and jobbers will break ranks. They will move precipitately to dual capacity long before the Stock Exchange's revamped trading systems and monitoring procedures are installed. The process would be disorderly, and "make-do and mend" trading arrangements would involve sharply higher risks for investors.

At the heart of the Stock Exchange's argument is the suggestion that the Government is breaking an agreement—albeit an implied and unwritten one. Much hangs on statements by Mr Cecil Parkinson, the former Trade and Industry Secretary, who struck the deal with the Stock Exchange which led to the dropping of the case against the exchange in the Restrictive Practices Court.

In a speech at that time (July 1983) Mr Parkinson said he looked to the Stock Exchange to provide "an efficient, competitive and suitably regulated central market which affords proper protection to investors."

The Stock Exchange now argues that because it is undergoing enormous upheavals to meet those objectives, the Government should, for its part, protect the central market against outside competition during its period of vulnerable transition.

If it does not the Stock Exchange itself will be forced to abandon one of those objectives, namely the provision of adequate protection to investors.

It does not appear that the Government is very sympathetic to the Stock Exchange's pleas. Plainly, it did not intend to hand even a temporary monopoly to the Exchange. But the present circumstances were never remotely foreseen in the summer of 1983.

At that time, a gradual dismantling of the commission structure was envisaged, and only subsequently did it become apparent that a dramatic "big bang" would be necessary after a lengthy period of preparation. Does this justify the Exchange's plea for protection?

The Government will no doubt be sceptical. One reason why outsiders have set up in competition is that the Exchange has temporarily slammed down its own membership shutters. The principle, and ignoble, reason for this has been to preserve the scarcity value of existing member firms.

So Mr Norman Tebbit, Mr Pakinson's successor, may conclude that members of the Stock Exchange have been too busy feathering their own nests for him to feel any moral obligation to protect them.

But Mr Tebbit wil have to reckon with the force of the Stock Exchange's practical arguments. The pressures on the central market are still tolerable, but it would only take the appearance of one or two more Flemings to threaten a crisis. In any event, conditions in the months leading up to the big bang are bound to be desperately tense.

At some stage the Government may have to modify its hands-off approach. It will be hard enough to preserve adequate protection for investors even in conditions of healthy competition, let alone in the circumstances of a chaotic free-for-all.

Letters to the Editor

The growth of the dole queues

From Mr H. D. Shutt.

Sir,—Although your comments on the White Paper on employment (March 29) appear commendably more critical of its complacency than does most of the national Press, it is depressing to note that you still shrink from exposing the fundamental flaws in the economic analysis which underlies the document.

For instance, how is it possible to pretend that virtually the only weakness on the supply side in Britain is the wage-bargaining system? Or that the huge interest and exchange rate fluctuations which stem directly from the government's fiscal and monetary policies have not had a seriously destabilising influence on both confidence and competitiveness? Or to ignore the impact on competitiveness of the market-distorting subsidies now practised by virtually all government (including our own) in their effort to protect their markets at home and abroad?

Yet perhaps the most glaring example of the Government's tendency to sacrifice realism to ideology is its continuing refusal to accept that rising unemployment has anything to do with either inadequate demand or rapid technological advance; this despite the massive rise in the numbers of workless in nearly all our "more successful" trading partners and the fact that UK unemployment has continued to grow by over 100,000 a year even during the recent much-vaunted "recovery."

Until the Government and its supporters abandon this flat-earth position there is no hope whatever of halting, let alone reversing, the remorseless growth of the dole queues.

H. D. Shutt.
60, Hillside,
Horsham, West Sussex.

South-East Asian studies

From the Chairman of the Association of South Eastern Asian Studies in the United Kingdom

Sir,—In view of the Prime Minister's visit to four South-East Asian countries, I am writing on behalf of the Association of South-East Asian Studies in the United Kingdom.

Some two decades after Hayter Committee funding made renewed provision for South-East Asian studies, their condition within British universities has declined to a point of near crisis. A net loss of staff from premature and natural retirement threatens the viability of undergraduate and graduate courses especially, but not only, in the recognised centres in Hull, Kent and London.

Moreover, cutbacks in library acquisitions have undermined research capabilities. All in all, an important national asset in the form of skills and knowledge is being run down. That asset has an importance beyond the criterion of pure scholarship.

Although Britain no longer enjoys the same special relationship with some states in South-East Asia, the region, and particularly that part comprising the Association of South-East Asian Nations (ASEAN), has become an increasingly important locus of economic growth and interchange. Indeed, as a member of the European Community, Britain has entered into an Economic Co-operation Agreement with the ASEAN states and has consistently supported their policy over Kampuchea.

The ability to take advantage of economic opportunity requires continuous access to appropriate linguistic skills and specialist knowledge. Such access is relevant also for British diplomats whose peripatetic existence does not necessarily permit sufficient time for an understanding in depth of any region.

The Government holds the opinion that educational provision should be related to national needs. The Prime Minister's visit to South-East Asia would seem an opportune occasion to give serious attention to a matter of national neglect.

(Dr) Michael Leifer.
London School of Economics and Political Science,
Houghton Street, London WC2.

A boost for new technology

From the Director of the Oxford Institute of Information Management

Sir, — The announcement by Mr Pattie, Minister for Industry and Information Technology, that the moratorium on the Government's support for Innovation Scheme is to be lifted is to be warmly welcomed for one particular reason. The Minister indicated that a shift, albeit modest, in spending was intended — a shift away from funding specific technological projects to improving general management awareness of technological change.

It is our experience in the Oxford Institute of Information Management that, whilst many managers increasingly appreciate that information technology (IT) is crucial to the survival and development of their business, they seek help on how to identify opportunities for exploiting IT, how to appraise IT projects, how to implement new technologies successfully, and how to manage IT resources. It is our contention therefore that besides aid to the hi-tech sector (the supply side) the Government should assist the user-industries (the demand side) in taking advantage of new technologies.

While we recognise the need to improve the supply of technology graduates and to reskill the workforce at large, as advocated by some technological universities, we would argue that we must also improve managements' ability to exploit IT — for it is managers who will largely influence the rate at which industry adapts to technological change. This is the focus of research and teaching in this institute and we believe the Government's shift of emphasis is both essential and timely.

Michael J. Earl.
Templeton College,
Kennington, Oxford.

Risk capital for energy saving

From the Managing Director of Inneco Group Energy Cost Analysis Division

Sir,—Ian Hargreaves in his article *Britain should copy 1 energy saving methods* will be interested to hear that the Inenco Group has been involved in supplying risk capital for energy saving projects since 1977. This method of funding, in addition to allowing client companies to retain productive capital, allows us the opportunity to prove our own savings claims. Wild claims have been and will continue to be made in connection with some energy saving projects—we are proud that we have been able to dissociate ourselves from such claims by putting our own capital at risk.

R. L Kirby.
Managing director, Inenco Group Energy Cost Analysis Division, Vulcan House,
Orchard Road,
Lytham St Annes, Lancs.

Conflicts of interest

From Mr J. V. C. Butcher

Sir, — Mr J. W. Robertson (March 28) proclaims that the City is accustomed to handling conflicts of interests to the satisfaction of all but the most cynical. Perhaps then he might care to answer these two questions:

1—If the corporate finance department of a firm of stockbrokers represents quoted company A that is experiencing difficulties, does he honestly believe that the firm's investment department will be totally free to recommend the firm's clients to sell shares in A?

2—If the corporate finance department also represents a much larger quoted company, B, which makes a bid for A that is not welcomed by A's directors, with whom the first must deal, does he honestly believe that, to resolve its conflict of interest, the firm will ask B, and not A, to seek another firm of brokers on the grounds that it is B that has caused the conflict by making the bid?

If Mr Robertson can answer "yes" to both question and demonstrate how we can be sure that stockbrokers will act as he honestly believes, then I shall be prepared to stop being cynical.

John V. C. Butcher.
Chestnut Heights,
18, Bramble Rise, Cobham,
Surrey.

A question about creating jobs

From Mr B. Dakes.

Sir,—You favour the obolition of Wages Councils so that others may be encouraged to reduce pay, thereby increasing the number of jobs.

Given that there are plenty of journalists who would like employment on the Financial Times, when may we expect you to cut journalists pay to enable you to take on more staff?

Ben Dakes,
21, Downing Court,
Grenville Street,
London, W.C.1.

A poor view of leadership

From Mr M. P. Wild

Sir,—Your leader article highlighting the lack of leadership demonstrated by Sir Keith Joseph as Minister for Education is particularly welcome. As a parent of school age children, as well as being married to a teacher, I am appalled at the low level of morale within education. Perhaps we should call for his resignation but that would be a moral victory of little benefit as his style of "leadership' with his awkward public manner epitomises the style of the current Tory leadership.

Many of your readers work in the City and they will know how confidence and optimism can change the reaction to a given situation. Well there are many of us north of Watford who view with despair the performance of this government. You ask for leadership to engender hope in the education service; we ask for leadership in every other department of government. It is only in this way that we will regain confidence and with that confidence will come the results we all look for.

Maxwell Wild,
11, Lea Road,
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Stockport.

FINANCIAL TIMES

Tuesday April 9 1985

CRUCIAL VOTE MAY PERMIT OUTSIDER CONTROL OF STOCK MARKET FIRMS

UK exchange ready for reform

BY JOHN MOORE, CITY CORRESPONDENT, IN LONDON

MEMBERS of the London Stock Exchange are set to give Sir Nicholas Goodison, chairman of the exchange, enough support to carry out a key reform of the British securities market.

According to an opinion poll conducted for the Financial Times by Marplan, 62 per cent of members would vote in favour of rules which allow the full control of stock exchange firms by outside groups. A simple majority is sufficient to authorise this change, although other changes proposed require a 75 per cent majority.

A crucial meeting of 4,500 members of the exchange is to be held on June 4 at which the future structure of the London stock exchange is to be decided.

Sir Nicholas Goodison needs a simple majority of those voting to relax a rule which has so far limited outsiders to holding no more than 29.9 per cent of the shares of a stockjobbing or stockbroking firm. On the evidence of the FT/Marplan poll, he should gain the support of 62 per cent of those voting.

Shareholdings of 29.9 per cent in most of the leading stock exchange firms have already been bought by British and international financial groups, such as commercial and investment banks. Most want to increase their stake to 100 per cent as soon as possible.

The poll also found that 56 per cent of the members regard as "unfair" a scheme whereby a market will be created in the shares of the exchange itself. The scheme is designed to give existing members some value for their shares in the exchange.

- 61 per cent say they will be voting in favour of proposals to create a market in the shares of the stock exchange.
- 61 per cent feel the big stock exchange firms have had too great an influence in the deliberations of the ruling council.
- 50 per cent feel Sir Nicholas has done a good job in his handling of exchange reforms.
- 42 per cent are dissatisfied with the exchange ruling council in the way it has dealt with the changes, compared with 40 per cent who are satisfied.
- 45 per cent feel that proposed changes in the qualifications for membership will bring about a decline in quality compared with 21 per cent who feel that there will be an improvement.

Marplan interviewed a random sample of members of the stock exchange between April 1 and April 4. In all, 500 members were interviewed by telephone. Of the 500 interviewed 134 members were based in the provinces.

To measure stock exchange opinion on one of the key proposals for reform Marplan asked: "Will you be voting for or against the relaxation of the 29.9 per cent rule?"

Of those canvassed, 65 per cent of members working for London-based firms said that they would be voting for the relaxation of the rule and 52 per cent of members based in the provinces said that they would vote in favour. A further 4 per cent would not say which way they would be voting and 15 per cent did not know.

On the most controversial aspect of the proposed reforms – the stock exchange's plans to create a market in the shares of the exchange itself in order to "compensate" the members for the participation of outsiders – the voting pattern is not so clear cut.

While there is support for the proposal – 61 per cent in favour compared with 21 per cent against – it is evident that the present formula for creating value in the shares is not to the liking of a significant block of the membership. Of those surveyed, 56 per cent regard the scheme as unfair while 26 per cent regard it as fair.

Among London securities firms 52 per cent of those surveyed regard the plan as unfair while 66 per cent of those members based in the provinces regard the arrangements as unfair.

Moreover, on the present showing the stock exchange will have to lobby extensively in order to carry through the reforms which represent constitutional changes, such as the plan to create shares in the exchange. In those changes, which require an alteration to the stock exchange's main constitutional document, the deed of settlement, a 75 per cent majority of those voting will be required. While the opinion poll shows a simple majority could be obtained on a range of constitutional issues, that support falls well short of the necessary 75 per cent.

The poll suggests that some members feel the proposed changes in membership qualifications could lead to a decline in standards. Under the plan it is envisaged that a simplified examination system will be created, along with transitional arrangements which would allow a number of individuals dispensation from the examination system.

Of those surveyed 45 per cent feel the change will bring about a decline in the quality of membership while 21 per cent believe there will be an improvement. A further 16 per cent do not feel there will be any effect from the changes and 18 per cent do not know.

A large number of members have yet to make up their minds about changes to the voting system for elections to the stock exchange ruling council, outlined in a White Paper published last month – 45 per cent said they did not know which way they would vote, compared with 41 per cent who said they would vote in favour of the proposals.

Lombard, Page 21

Rescue of U.S. bank may cost Ohio state $100m

By Terry Dodsworth in New York

HOME STATE, the failed Cincinnati-based savings bank, is likely to need an injection of between $75m and $100m from the Ohio state authorities as part of the rescue deal worked out with Chemical Bank of New York.

Chemical's proposals, announced over the Easter holiday, are facing strong opposition from the Ohio banking community and some members of the Republican leadership in the state senate. But it is widely felt that the senate now has little alternative to accepting Chemical's bid, which requires legislative approval to overcome the tight U.S. controls over banks expanding out of their own state.

Home State's collapse, caused by its involvement in ESM, a failed Florida-based government securities dealer, precipitated a crisis of confidence in Ohio's state-insured savings bank industry three weeks ago, sending shock waves through the financial markets.

Mr Richard Celeste, the Democratic governor, closed the savings banks for several days in an effort to restore confidence. He has since been working feverishly on various rescue proposals.

Chemical has so far given no indication of what it is proposing to pay for Home State, which has assets of about $400m. But bankers are expecting it to pay around $50m, unless it turns up anything totally unexpected in the investigation of Home State's accounts which it started yesterday.

As part of the deal, it is expected that Ohio will be left with the cost of covering the Cincinnati bank's losses in ESM, which are believed to amount to between $150m and $160m, and any further asset write-offs. The state will be able to draw on the $90m funds still left in the Ohio Deposit Guarantee Fund, which insures savings bank depositors, but it could be left with a shortfall of between $75m and $100m on the agreement.

On buying Home State, Chemical is to be allowed to convert it into a full commercial bank and to use its 33 branches spread around the state. The acquisition will mark the first big step outside its home base for the New York bank, the sixth largest in the U.S.

The Ohio state legislature is currently in recess, but Chemical's proposals are expected to go before it soon after it reconvenes early next week. State officials are anxious to press ahead rapidly with the acquisition in order to restore order to the savings bank sector.

About 40 of the 71 institutions closed in the wake of Home State's collapse are operating under restrictions which impose a $750-a-month limit on withdrawals, while the other 30 have reopened with Federal Deposit Insurance or other guarantees to depositors.

THE LEX COLUMN

Digging for gold in the Channel

The publication last week of joint British and French guidelines to govern the construction and operation of a Channel fixed link – the Channel tunnel by any other name – has cleared away much of the political debris which until now has prevented the tunnellers from setting to work.

As expected, the two governments have ruled out any form of public support or financial guarantee and have imposed on the scheme's promoters a demanding set of obligations, ranging from the protection of the link against terrorist attack to the denial of access to wild animals.

Assurances

In return, however, the rival promoters have been granted preliminary assurances of freedom from official interference and have been given carte blanche to fix their own tariff structure, with the single rider that price changes must be notified to government in advance. Between now and the end of October, when proposals must be submitted to the two governments, the political framework will assume less importance than the financial cladding.

The financial obstacles facing both consortia are formidable. The cheaper of the two schemes, the Chunnel, enjoys the support of National Westminster and a host of British construction companies. The sponsors estimate the capital cost in current prices at a touch over £2bn, which would provide a twin bore rail tunnel with roll-on, roll-off facilities for cars and commercial vehicles.

The rival Euroroute scheme is more ambitious. Spearheaded in the UK by Trafalgar House and endorsed by a range of French companies and financial institutions, the promoters are budgeting on a capital cost of about £4.5bn ($5.4bn) in 1983 prices. That would provide both a twin-track rail link and a motorway passing from one country to the other via bridges and a submerged tunnel.

Either link would be much the most ambitious infrastructure project ever undertaken by the private sector in Europe. The Euroroute proposal – codename Brunnel – would call for at least 1m tonnes of steel, 5.5bn cubic metres of concrete aggregate and 2.4m tonnes of cement. Even if the sponsors' estimates of capital cost are accepted – and they are regarded as on the low side by many outside experts – they bear little relation to the sums which would need to be raised by the schemes' bankers.

A group of five UK and French banks has estimated the peak indebtedness of the Euroroute project at £54bn, a sum about equivalent to the total advances of Barclays Bank. The group was admittedly predisposed to the rival Chunnel project and based its projections on the likelihood of relatively high inflation rates and a substantial cost overrun.

What the banks' report established beyond doubt, however, was the remarkable sensitivity of either scheme to small changes in the level of both inflation and real interest rates.

Coopers & Lybrand, which has appraised both schemes, reckoned this time last year that on the twin assumptions of 5 per cent inflation and 9 per cent nominal interest rates, the maximum debt incurred by Euroroute would be £7.2bn and by Chunnel £4.85bn. If, however, both the inflation and the interest rate forecasts are raised by four percentage points, peak borrowings rise to £12bn and £8bn respectively. In each case Coopers assumes that debt will be cleared by 2009.

Even in order to arrive at these figures, Coopers has to take a rather charitable view of the possibility of cost overruns arising from industrial action, engineering problems or geological obstacles. The multiplier effect of delay resulting from any of these factors would of course be dramatic.

Similarly, the commercial viability of both projects depends crucially on the extra traffic flows created by a fixed link and on the price competitiveness of existing ferry services.

Euroroute calculates that it could obtain an average real return on capital – discounted to net present value at 5 per cent – of just over 8 per cent on a 50-year operating franchise. It assumes that the link would generate volume growth of 3 per cent annually in the first 30 years of the franchise, after which Brunnel would be operating at full capacity. It also assumes that tariffs would be held 10 per cent below the price of competing ferry services.

If the franchise were as long as 125 years, and the depreciation charge adjusted accordingly, the real return would rise to almost 9 per cent. Chunnel is less specific about its figures but comes to similar conclusions about rates of return.

The Chunnel scheme presents less spectacular financing obstacles than its rival. Taking the more optimistic Coopers calculations and assuming a 50/50 split between the two parties, Chunnel would need to raise about £2.5bn in the UK. The sponsors would expect to raise most of the early finance via the banking system, with public participation invited once the bulk of the capital cost had been incurred.

To fund the risk capital through bank credit and then ask the securities markets to stump up for an established utility might appear rather topsy-turvy logic, but it is a concept not unknown in the oil business and Chunnel will win no prizes for being imaginative just for the sake of it.

The challenge facing Euroroute is much more intriguing. The sums involved are very much larger – £3.6bn for the UK on the same Coopers assumption – and the risks commensurately greater.

The British Government would be reluctant to see this kind of money raised through the domestic banking system, given the impact that it would have on the level of bank advances and the rate of monetary growth. Euroroute aims in any event to tap public markets in stages for the bulk of its requirement.

Its plan is to form an initial consortium, comprising the principal contractors and a group of about 10 cash-rich European companies, which would meet the pre-contract costs of about £80m and take an equity investment in the entire project. With the likes of BP and GEC on board, the scheme would then be marketed to a wider public.

Inflationary risk

Whether that public could be enticed into such an inherently risky project must be open to doubt. The consortium might offer index-linked securities in order to mitigate the inflationary risk but the bonds would need to offer a substantial premium – perhaps 3 per cent – over comparable index-linked gilts, which are already giving real returns of over 3 per cent.

While it might be attractive to issue participating preference shares, interest payments would almost certainly be treated by the Inland Revenue as a distribution and so liable to ACT.

Euroroute has several ingenious ideas up its corporate sleeve – a partly-paid Ecu bond being one – but it is asking a good deal of Europe's capital markets to produce such heavy support for a single venture capital project with a very long lead time and a high margin for error.

The enthusiasm of Trafalgar House knows no bounds and, on its own assumptions, the project could be a resounding commercial success. The consortium will, however, need to tunnel very deep indeed for the money.

Whitbread credibility in U.S. threatened

By Carla Rapoport in London

THE COURT fight over the U.S. distribution rights to Mouton Cadet wines and Finlandia vodka poses a threat to the U.S. operations of Whitbread, Britain's third largest brewer, according to company executives.

Last November Whitbread paid $110m for Buckingham Corporation, which owned the distribution rights for the products, and is now seeking $225m in damages over the loss of those rights through the U.S. courts.

At the same time, supplies of Mouton Cadet and Finlandia face the prospect of disruption in some parts of the U.S. because of the dispute. The brand owners, Baron Philippe de Rothschild of Pauillac, France, and Oy Alko, the Finnish state monopoly, stopped supplying their products to Buckingham on March 15.

Whitbread has filed its lawsuit against former Buckingham executives, Buckingham's former legal counsel and the French and Finnish groups. In their first interviews since filing the suits Whitbread executives said they were determined to fight the cases through the U.S. courts, an expensive process which could take years. An out-of-court settlement, they stressed, would have to be commensurate with the damage the company alleges

Whitbread is claiming it was a victim of a scheme aimed at depriving it of the two products following its purchase of Buckingham.

In court documents filed in U.S. federal courts, Whitbread alleges: "Those in the industry cannot help but hold a lower regard for Buckingham" following the loss of two of its major product franchises. "There is no possible monetary amount to compensate for such injuries, indeed, the nature of the injury is such that one cannot tell when it ends."

Baron Philippe de Rothschild executives declined to comment on the allegations last week. Mr Paul Forsius, commercial director of Oy Alko in Helsinki, said the company did not see any reason for the lawsuit against it.

Buckingham's former legal counsel Mr Abraham Buchman and Mr Joel Buchman, and its former vice-president Mr Stephen Karp, were unavailable for comment last week.

Whitbread's expansion starts with courtroom fight, Page 6

European oil import costs rise by 34% on strength of dollar

BY RICHARD JOHNS IN LONDON

OIL IMPORT costs of the European members of the International Energy Agency have risen by about 34 per cent on average in terms of their national currencies since April 1983 because of the strength of the dollar.

After hitting a low point at the end of the first quarter of 1984 they have also increased significantly – by 13 per cent over the past 12 months – for the Pacific group – Japan, Australia and New Zealand – according to the Paris-based agency's latest monthly oil market report.

It says that precise information on the dollar cost of crude oil imports is only available up until the end of 1984 and costs were assumed to have remained unchanged during the first quarter. Although the average price of crude oil varieties produced by member states of the Organisation of Petroleum Exporting Countries (Opec) fell by about 40 cents a barrel in this period, the decline was probably offset by higher realisations on the sport market, the IEA says.

The remorseless – until very recently – rise in oil prices expressed in national currencies since Opec's $5 per barrel price cut in the spring of 1983 is evidently again affecting demand.

Oil consumption by members of the Organisation for Economic Co-operation and Development is reckoned to have declined by 2.3 per cent in the fourth quarter compared with the same period of 1983.

Commenting on the fall, the IEA report says: "The main reasons for the consumption decline were weather and the substitution of other fuels for oil. In addition, some consumer purchases may have been postponed in the expectation that prices would decline further."

Latest data from member countries of the IEA (the OECD less France) indicated that demand would fall another 2 per cent in the first quarter of 1985 compared with the same period of 1983 notwithstanding much more severe weather in January and February of this year in North America and Europe which was only partially offset by the milder winter enjoyed by Japan.

The fall in consumption in the last quarter of 1984 followed three successive quarters when it had risen for the first time since 1979. For last year as a whole OECD demand was calculated at 34.6m barrels a day, up 2 per cent on the 1983 rate.

Oil stocks are estimated to have been drawn down in the October-December period at a rate of 400,000 b/d. Preliminary data for the January-March period suggest a further reduction of as much as 2.1m b/d.

Stocks on hand in OECD member countries at the beginning of April are calculated at the equivalent of 95 days forward consumption, 21 of them accounted for by those held by governments (mainly the U.S. and Japan) and 74 days by company inventories.

Even if there is no rundown in the April-June period, world demand for Opec oil is likely to be no more than 15.8m b/d in the second quarter but 16.8m b/d for the year as a whole (assuming no marked increase in members' output and sales of natural gas liquids).

That compares with Opec's production ceiling of 16m b/d which the IEA calculated it almost exactly observed, with only Nigeria substantially exceeding its quota with a rate of 1.6m b/d and Saudi Arabia 3.85m b/d (including its half share of Neutral Zone production) taking up the slack.

Overall it is reckoned that the end of the UK miners' strike will reduce demand by 400,000-500,000 b/d in the last three quarters of 1985 compared with the same period of last year.

UK energy prices, Page 20

Sudan general strike ends

Continued from Page 1

They denied reports that he had suffered a heart attack.

Eccentric as ever, Mr Nimeiri sent a message to Gen Swareddahab wishing him success in the discharge of his new responsibilities in the service of Sudan, according to Mena, the official news agency in Cairo.

The continuing strikes and civil unrest which include demands for Mr Nimeiri's return to face trial in Sudan indicate that although the military rulers seized power in a bloodless coup their problems are far from over.

Sudan's slide towards chaos under Mr Nimeiri has left the economy in a shambles and a rebellion in the south has seriously jeopardised national unity.

Sudan's military takeover is being cautiously welcomed by its Western and pro-Western friends who had watched with growing alarm the worsening crisis under Mr Nimeiri.

In Cairo, Egyptian officials are saying privately that Mr Nimeiri's overthrow will allow a fresh start to be made on tackling Sudan's economic difficulties and the southern insurrection.

The officials regard it as promising that rebels of the Sudanese People's Liberation Army, SPLA, have agreed to cease operations against government forces pending talks with the new administration.

Foreign observers in Cairo familiar with conditions in Sudan say that it could take many months before the new military rulers are able to make an impression on the country's difficulties.

Sudan faces crushing economic problems. It has a foreign debt of $9bn, high inflation, and is suffering from widespread drought and famine, crippling fuel shortages and an influx of more than 1m refugees from Ethiopia and Chad.

Sudan, with its population of 22m, is heavily dependent on United States aid running at about $200m a year. Standby arrangements with the International Monetary Fund over the past several years have collapsed because Sudan has been unable to comply with IMF conditions.

Sudan is regarded by the U.S. particularly as a pivotal country in Africa because it borders no fewer than seven African states, lies between pro-Soviet Libya and Ethiopia and controls the waters of the Nile, Egypt's life blood.

Both Cairo and Washington would be alarmed if Mr Nimeiri's overthrow led to a change in Sudan's generally pro-Western alignment.

Initial indications are that while General Swareddahab favours a policy of non-alignment, this will not be translated into a stand inimical to Western interests.

Foreign companies like Chevron of the U.S. will benefit from the military takeover if it brings peace to the troubled south. Chevron has invested about $800m in an oil field near Bentiu on the Upper Nile

Thatcher joins criticism of Moscow offer

Continued from Page 1

cies and lambasted the trade unions for failing to face economic realities.

Mr Thatcher continued to "bang the drum for Britain," as she herself described one of the main purposes of her visits. In Kuala Lumpur and Singapore she unceasingly tried to persuade her audiences that the British economy had turned the corner. Output, investment and productivity were at all-time records, she said.

British assets abroad had increased more than five-fold, from £13bn in 1979 to £70bn today. The UK, which had enjoyed steady growth for four years, was likely to have the fastest growth rate in the EEC this year. In short, Britain was no longer "the sick man of Europe" and was in the forefront of technological innovation.

World Weather

U.S. rejects Soviet missile plan

Continued from Page 1

A difficulty for Soviet foreign policy over the past five years has been the need to be conciliatory in order to woo Western Europe but without giving the impression to Washington that Moscow is making concessions because of the development or deployment of new American weapons.

The Soviet leader said that he saw an improvement in relations with the U.S. as necessary and possible but expressions of hope in Moscow that President Reagan might have adopted a more conciliatory policy towards Moscow during last year's election campaign have largely ended.

Despite the positive response towards a summit meeting with President Reagan, Soviet commentators have generally concluded that little is to be expected from the Geneva disarmament talks.

Mr Thomas O'Neill, the US House of Representatives Speaker, who is visiting Moscow with a 13 member congressional delegation, welcomed Mr Gorbachev's willingness to meet President Reagan.

Mr Gorbachev's initiative was seen in Washington as an early sign of the more vigorous propaganda drive that the U.S. was expecting from a Soviet leader who has already displayed the ability effectively to play to Western audiences.

By announcing the moratorium the Soviet Union is seen as attempting to pressure the U.S. not only to halt deployment of Pershing 2 missiles in Europe but also, as Mr Gorbachev said, to halt research and development on space weapons and freeze strategic arms. The move is seen, too, as an attempt to drive a wedge between the Nato allies and to put pressure on the Netherlands which has yet to begin deployment of the Pershing

The Netherlands last night said Mr Gorbachev's offer would not affect the deployment of medium-range missiles next September.

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SECTION II – COMPANIES AND MARKETS
FINANCIAL TIMES
Tuesday April 9 1985

INTERNATIONAL CREDITS

Bank of England warning shot over Euronote commitments

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

AFTER months of waiting and wondering it finally happened last week. The Bank of England came out in the open with its reservations about the fast-growing Euronote market and told banks that from now on they must include their underwriting commitments in the risk-asset ratio used to measure capital adequacy.

In a strongly-worded circular, the Bank said it was starting a review of all off-balance sheet risks run by banks. It said it was worried about the accumulation of such business on terms which "do not properly reflect the risks involved." Pending completion of the review it was imposing an immediate requirement on banks to include underwriting commitments from Euronote issuance facilities in the risk-asset ratio, with a weighting half that granted to a straightforward loan.

Theoretically this means banks which underwrite Euronote facilities will have to underpin such business with capital. This obviously adds to their costs and the logical conclusion should be that the fees required for such operations will have to rise accordingly, possibly to the point where Euronotes cease to be competitive as an alternative to conventional Eurocredits or floating rate notes.

The Euronote market seems to be carrying on undaunted, however. Not only did Merrill Lynch launch a $600m facility for Deere, the U.S. farm equipment manufacturer, on the same day as the Bank published its circular, a $200m, five-year facility is in the market for Colgate-Palmolive. Led by Samuel Montagu, this deal bears a commitment fee of about 1/16 per cent, which hardly marks a sharp upward movement in the market's pricing structure. Drawings on the bank back-up facility will bear a total return of up to about 25 basis points, including this commitment fee.

This week should see yet more deals. So is the Bank's bark really regarded in the market as worse than its bite?

A first answer to this question is that the new regulation may put *some upward pressure on fees, but* for the time being such pressure is still offset by the shortage of good lending opportunities and the competition for mandates which forced the pace in the Euronote market in the first place.

In any case most banks already voluntarily allocate capital to Euronote business, so their cost structure should not be affected by the new requirement.

The second answer is a little more complicated. The ink was barely dry on the Bank's circular before bankers were beginning to look for loopholes. Some think they have already found one.

The circular states that "underwriting obligations under a note issuance facility" must be included in risk-asset ratio calculations. It does not refer to standby credit commitments, which simply parallel a note issuance facility. So long as such standby credits stand apart from the facility itself there may be no need for them to be included in *risk-asset ratio requirements.*

Of course such an approach goes against the spirit of the Bank's circular and there seems little doubt that if it led to abuses the Bank would tighten up the wording when its full review was completed. Meanwhile, however, the impact of its move is also muted by the fact that other central banks have so far not followed suit.

That means that non-UK banks can escape the requirement simply by booking their Euronote commitments outside London.

If capital requirements on contingent business became universal the Euronote business might be in for a much rougher ride. Other central banks appear to have reasons for moving more slowly on this question than the Bank of England.

For example, the Federal Reserve has to consider the billions of dollars of back-up credit extended by U.S. banks to borrowers in the commercial paper market. A rule imposing capital requirements on contingent business might have to draw these credits in too. That would sharply reduce the profitability of money centre banks and might disrupt the commercial paper market itself.

The Bank of Japan appears reluctant to add new regulations when the climate in Japan calls for liberalisation of the banking system. *Though concerned at the growth of* Euronote business it apparently prefers to wait until more statistics are available before deciding on any action.

What is clear, however, is that the question of contingent business is receiving closer international scrutiny among central bankers meeting at the Bank for International Settlements in Basle.

The consensus seems to be that there is a need for some prudential constraints. In that context last *week's move by the Bank of England* was seen in the market as a first warning shot rather than a full scale clamp-down.

Elsewhere, Lloyds Bank's sterling credit for the Soviet Foreign Trade Bank has been doubled to £150m after £164m was raised from the market, but the Y100bn credit *for Sweden*, led by Sumitomo Bank, is moving slowly as other Japanese institutions apparently question its low margin of just ⅛ per cent. Indonesia is expected to tap the market soon with a facility of $400m.

EUROBONDS

CSFB taps demand discreetly

BY MAGGIE URRY IN LONDON

THOSE EUROBOND syndicate managers left in their offices last Thursday had little business to get on with, and could spend their leisure time pondering the whys and wherefores of two issues launched by Credit Suisse First Boston.

There was one point they could all agree on: the deals were both good for the borrowers, Union Pacific and General Re, two new names in the Eurobond market (although Union Pacific has an outstanding Kuwaiti dinar issue).

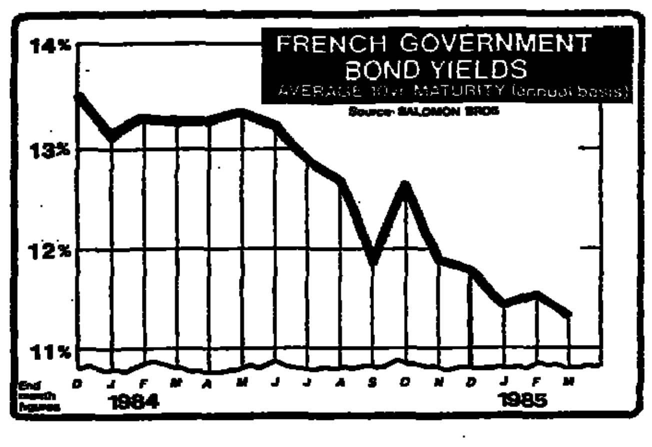
The terms on the two were the same – a seven-year life and 11½ per cent coupon giving the two companies a borrowing cost around 10 basis points below U.S. Treasury bond yields.

That looked brave given the timing of the launches, just before the long weekend, and that other equally good names have borrowed lately at levels around 35 basis points over treasuries.

But also under discussion was the way the deals were syndicated. CSFB did not make the usual song and dance of announcing the issues and making formal invitations to co-managers. Instead the issues were quietly, almost secretively syndicated, with hardly any of the leading U.S. houses in the resulting groups. Co-managers were mainly European and Japanese houses.

With investor demand patchy at best these days, fixing a group of banks able to tap what pockets of demand there are could be the best way to get the paper placed. But rival, uninvited, syndicate managers pointed out that the issue would then effectively become a private placement with little secondary market trading likely. Most investors expect to get a higher-than-market return from such an issue.

While dealers suggested that the bonds would have some value at a price of 96 or perhaps 97, there was little indication on Thursday, of a price level. The brokers were quoting a bid price of 96½ or 97, but that is fairly meaningless in the absence of an offer price as well.



Traders do not hold much hope of a strong rally in the Eurodollar fixed-rate market, heavily dependent on an also trendless New York market. Last week prices were fairly resilient, but trading was thin.

With the outlook for the dollar exchange rate still uncertain, interest in other currencies has continued. Swiss Bank Corporation International struck one particularly good reservoir of investor demand, launching a European currency unit issue for Rabobank. Both the borrower and the currency were *just what was wanted. The deal was* increased by 50 per cent, and still traded comfortably inside the selling concession. That despite a coupon of 9⅝ per cent – lower than has been seen for a few weeks. The earlier testing of the under 10 per cent levels in January has been reversed quickly, but this time round demand may hold up better.

This week's new interest will be the revived Euro-French franc bond market, closed since the Mitterrand administration won power in 1981. The first issuer expected is Gaz de France with a FFr 500m issue led by Crédit Commercial de France. This is likely to have a 15-year final maturity but with coupon refixes and *put and call options* every five years. The borrower should get funds cheaper in the Euromarket than at home and the first coupon will probably be around 11¼ to 11½ per cent.

The deal will be truly international, with the majority of investors expected to be from outside France.

The infant Eurosterling zero-coupon bond market had a setback last week with the launch of the second deal – for Pearson, the diversified group which owns the Financial Times. The issue, led by Pearson's own merchant bank, Lazards, quickly fell to a discount outside its fees – ending the week at around 46¼ compared to the issue price of 48⅝ and total fees of 1¼ point. The pricing had been tighter than the previous deal from Redland, but Pearson's issue dragged that one down too.

Syndicate managers hope an issue from a better known name, perhaps a U.S. corporate, could restore some balance, especially if it has a longer maturity.

The Euroyen convertible bond market got off to a good start – all four deals launched were trading inside their fees, with Sony's closing the week around par. Sony's *dollar issue with equity warrants* did even better, trading around 103 by the weekend.

But Euroyen convertibles, with coupons of 2 or 2½ per cent, are causing some ripples in the Swiss franc foreign bond market. Japanese *borrowers have usually been* found there paying coupons of around 2 per cent for convertible five year deals. Those coupons had come down to 1⅞ per cent lately but *last week saw a 1½ per cent coupon.* Equity warrant-linked issues have also had lower coupon levels – 3 per cent for Toko's deal.

Another development has been the *launch of two Swiss franc issues* of warrants on their own for Japanese companies, led by Citicorp (Switzerland).

In general the Swiss franc foreign bond market has remained cheerful, with price last week slightly firmer where changed. A SwFr 150m public issue for Trans-Canada Pipelines is expected this week.

The holiday spirit in the D-Mark bond market, and more important a weaker dollar at the start of last week, helped prices up by around ⅜ of a point. Foreign bankers will today be discussing their future role in the Euro-D-Mark bond new issue business with the West German Bundesbank.

EUROMARKET TURNOVER
Turnover ($m)

Primary Market	Straights	Conv	FRN	Other
U.S.$	1,913.2	153.8	1,093.0	79.5
Prev	2,060.8	158.6	3,837.3	114.0
Other	676.3	0.1	0.7	12.4
Prev	628.3	3.5	–	10.5
Secondary Market				
U.S.$	14,594.4	894.3	8,605.1	1,894.3
Prev	13,179.9	654.6	13,088.0	1,793.7
Other	2,895.3	22.9	279.6	1,233.8
Prev	2,489.3	43.6	343.4	1,126.0

	Cedel	Euroclear	Total
U.S.$	9,447.1	19,780.6	22,227.7
Prev	10,232.6	24,654.3	34,886.9
Other	2,539.3	2,581.7	5,121.0
Prev	2,614.5	2,030.2	4,644.7

Week to April 4, 1985 — *Source AIBD*

National Can agrees to Triangle takeover

By Terry Byland in New York

THE BOARD of National Can, the U.S. packaging manufacturer, has agreed to an increased takeover offer worth $42 a share or $428.4m from Triangle Industries. The resulting merger will end the year-long attempt by Mr Victor Posner, the Miami-based financier, to take control of National Can. He will receive around $152.5m for his 35 per cent holding in the Chicago group, while National Can and its employee stock ownership plan (ESOP) will drop its $40 a share bid for the company's equity, which was aimed at heading off the Posner bid.

National Can stock was suspended at $41⅞ in New York following confirmation of the increased offer. Under the terms of Triangle's bid, the existing management will remain in place at National Can which will become a subsidiary of Triangle.

The 2.6m National Can shares tendered under the ESOP offer will be returned so that holders can offer them to Triangle.

Swiss engineer reduces loss

By John Wicks in Zurich

VON ROLL, the Swiss engineering group, reduced its losses to SwFr 9m ($3.3m) last year, compared with deficits of SwFr 27m in 1983 and SwFr 46m the preceding year.

Despite further substantial costs for corporate restructuring programmes and plant closures, consolidated cashflow rose over the year from SwFr 36m to SwFr 46m. This was more than offset by depreciation of SwFr 55m. Turnover increased 15.6 per cent over 1984 to a record SwFr 1.3bn.

Apart from a payment of SwFr 25 per share in 1981 Von Roll last distributed a dividend in respect of 1974.

INTERNATIONAL CAPITAL MARKETS

U.S. MONEY AND CREDIT

Agreement on deficit boosts bond prices

U.S. BOND prices received a late boost last week after the White House and Senate Republican leaders announced agreement on a plan to cut the Federal budget deficit.

The plan, which emerged after much hand-wringing, soul-searching and haggling, would cut the budget, for fiscal 1986, beginning this autumn, by $52m and trim the deficit by almost $300m over the next three years.

The proposals still have to negotiate Congress, but were enough to spark some signs of action in lethargic pre-holiday trading in the government bond markets.

As a result the Treasury long bond, which had been lower in price for most of the week, jumped a full point to close unchanged on the week at 96¾ to yield 11.65 per cent.

"The market is still in something of a temporary stand-off," says Philip Braverman of Briggs Schaedle.

Despite positive news on the deficit, the U.S. credit markets lack any clear direction. With retail investors still hugging the sidelines the market remains extremely volatile and subject to sharp shifts in mood.

For the moment Wall Street's senior economists see the Federal Reserve in a "parked" position with the gears in neutral awaiting further signals from the economy.

The $2.8bn increase in M1 announced last week had been expected and caused little reaction. The fact that discount window borrowing remained under the $400m level left the markets comfortable—but not overjoyed—with an 8.5 per cent funds rate.

Even the excitement over the dollar's recent sharp decline has lapsed as the U.S. currency has appeared to stabilise.

Reflecting this, the markets have turned in upon themselves leading to detailed examinations—such as that presented this week by Dr Henry Kaufman of Salomon Brothers—of the state of Treasury cash balances in this period of tax payments and sharp seasonal factors.

In the meantime, just about everyone has been mulling over the debris left by the collapse of ESM Government Securities and pondering the longer term implication.

One conclusion appears clear. More regulation for the U.S. government securities market is on the way. What is far from clear is what form it will take and who will administer any new rules. For the moment the Fed, the SEC, and the Treasury appear to be bent on playing a game of "pass-the-regulatory-parcel."

The fall-out from ESM—at least among securities dealers themselves—appears to have been successfully contained. Treasury prices generally closed unchanged to very marginally higher last week.

Money market rates, following a roller-coaster ride in recent weeks, were mixed. Treasury Bill rates were higher while private rates were generally lower, reflecting a further easing in concerns about the current health of domestic financial institutions.

In the corporate markets the deluge of new paper, which began 10 days ago, continued in the holiday shortened trading week.

Seasoned issues showed price gains for the third successive week. In addition to the large volume of intermediate-term new issues, the market has also absorbed four long-term issues totalling $900m in the past two weeks.

Among the new corporate issues launched last week Merrill Lynch sold $200m of 11.25 per cent three-year extendable notes priced to yield 12.289 per cent, National Medical Enterprises sold $100m of 12½ per cent 10-year notes priced to yield 12.25 per cent, and Houston Natural Gas sold $100m of 10-year 12½ per cent notes at par.

Other issues included a $300m offering of three-year 11.5 per cent extendable notes from Chrysler Financial priced to yield 11.70 per cent. Separately Chrysler's Finance unit announced agreement with more than 200 lenders on refinancing $4.8bn of debt. The motor group said the agreement "normalises" the finance subsidiary's banking and borrowing arrangements.

Paul Taylor

U.S. MONEY MARKET RATES (%)

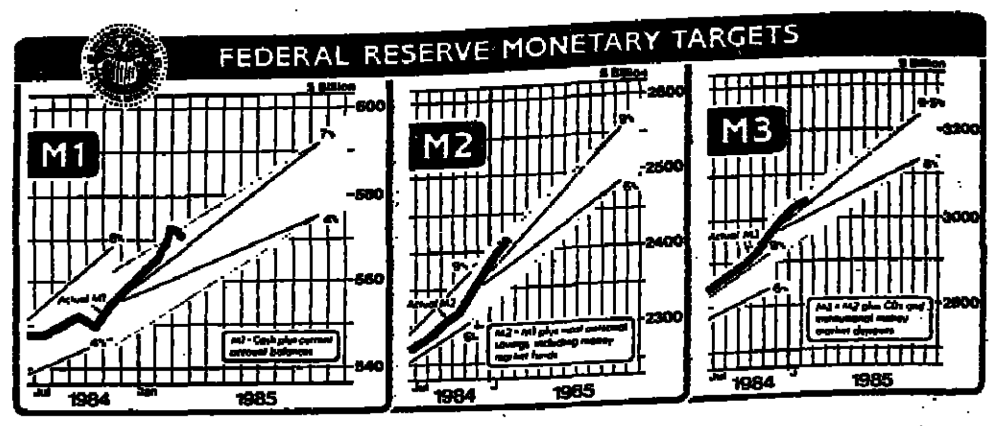
	Last Friday	1 week ago	4 wks ago	—12-month— High	Low
Fed Funds (weekly average)	8.65	8.34	8.47	11.77	7.82
Three-month Treasury bills	8.13	8.16	8.56	10.77	7.58
Six-month Treasury bills	8.61	8.53	8.85	10.83	7.87
Three-month prime CDs	8.85	8.75	9.10	11.90	8.05
30-day Commercial Paper	8.56	8.65	9.80	11.38	7.85
90-day Commercial Paper	8.70	8.80	9.05	11.40	7.90

U.S. BOND PRICES AND YIELDS (%)

	Last Friday	Change on week	Yield	1 week ago	4 wks ago
Seven-year Treasury	100½	— ⅛	11.64	11.63	11.70
20-year Treasury	100⅝	+ ⅛	11.90	(new)	(new)
30-year Treasury	96¾	—	11.65	11.65	11.71
New 10-year "A" Financial	N/A	— ¼	12.30	12.25	12.30
New "AA" Long utility	N/A	—	12.88	12.98	12.88
New "AA" Long industrial	N/A	—	12.50	12.50	12.63

Source: Salomon Bros (estimates).

Money Supply: In the week ended March 25 M1 rose by $2.8bn to $572.8bn.



UK GILTS

Bank quarterly sees further funding

THERE IS rarely an unambiguous message for the gilt-edged market to be found in the coded language of the Bank of England's quarterly Bulletins.

But last week more than most it did provide some firm clues to the Bank's expectations and hopes on the outlook for gilt-edged funding.

The Bulletin, which coincided with another week of nervous quiet for gilts, focuses on the Bank's pre-occupation with the problems for monetary control (and by implication the gilt-edged market) posed by the rapid growth of bank lending.

Just as significantly it looks forward to the factors which (it hopes) might come to the rescue before the pace of additional gilt sales, or "over-funding," needed to offset the lending renders its commercial bill mountain unmanageable.

The message which comes through is that over the short-term the market can expect the Bank to continue with an aggressive funding policy to neutralise the impact of the present rate of lending on the broad monetary aggregate, sterling M3.

That view was confirmed by the Bank's decision on Thursday to issue a £400m tap stock designed specifically to appeal to private investors.

The Treasury 3 per cent 1989, which goes on sale this week at a minimum tender price of £79, suggests that the Bank is still keen to take advantage of any opportunity to push out new stocks.

The need to fund fairly heavily over the next few months — a period when the British Telecom call could push the equity market's demands on institutional cash up to around £3bn — also partly explains the Bank's caution on interest rates.

Though its differences with the Treasury have been exaggerated, in the last analysis it is Mr Nigel Lawson, not Mr Robin Leigh Pemberton, who decides if and when rates are to fall.

But over a longer time horizon the Bulletin is cautiously optimistic that the recent 20 per cent annual growth rate in bank lending will prove to be a temporary phenomenon.

Despite the first-round effect of higher interest rates in pushing up bank lending, the present relatively high level of gearing in both the company and personal sectors may raise the sensitivity of spending to borrowing costs, it says.

It also indentifies a number of temporary factors which may have artificially inflated lending over the past few months, although as usual it is reluctant to accept the evidence of bill arbitrage as a significant factor.

More positively, the establishment of a short-term corporate bond market should also divert some company borrowing away from the banking system, while fuller capital gains tax indexation should encourage equity issues with similar effect.

The Bank is not incautious enough, however, to suggest that there will be an immediate reversal of the trend in bank lending or the need to overfund via the gilt-edged market.

And the expectation in the market is that the money supply figures for March due out on Wednesday will once again show sterling M3 inflated by bank lending.

The most common view last week was that sterling M3 may have grown by around 1 per cent with a significant amount of arbitrage pushing the bank lending figure up to around £2bn.

As usual, however, most of the forecasts came with a strong health warning, and the full range of estimates varied from growth of ½ per cent to 1½ per cent.

In the meantime the authorities are stepping up efforts to offset part of the impact of over-funding on the bill mountain by studying further ways to encourage local authorities to switch much more of their borrowing away from the banks.

There is also at least a tentative suggestion that the definition of the public sector borrowing requirement might be changed to allow the Government to assume the commercial banks' export credit liabilities.

Philip Stephens

FT/AIBD INTERNATIONAL BOND SERVICE

U.S. DOLLAR STRAIGHTS	Issued	Price	Chg. on week	Yield
AHFC O/S Fin 11⅝ 94	100	97⅜	−0⅛	12.19
Amer Savings 12 89	125	99	+1¼	12.33
Amer Savings 12⅞ 89	100	99¼	−0⅛	12.47
Asian Dev Bk 11⅝ 93	100	97⅜	+0⅞	12.23
Australia 11¼ 90	100	100⅛	−0⅛	11.12
Australia 11½ 95	300	98⅝	+0⅛	11.71
Australia 11⅝ 98	100	98⅞	+0⅛	11.79
AIDC 11 89	75	98	−0⅛	11.65
Austria 15½ 88	75	109½	+0⅛	11.50
Bk America 12 87	290	100⅛	0	11.77
Bk Nova Scotia 13⅝ 87	100	102⅜	+0½	12.16
Bank of Tokyo 13⅝ 91	100	105⅛	+0⅛	12.31
Bank of Tokyo 13⅞ 89	100	106⅝	+0⅛	12.11
Bqe Nat Paris 13½ 89	150	104⅜	+0⅛	12.16
Bqe Nat Paris 14¼ 90	250	105⅝	0	12.66
BFCE 16 86	299	106⅛	−0⅛	11.06
Br Col Hydro 11¾ 93	200	99	+0⅛	11.91
Br Col Hydro 12½ 14	200	100⅛	+0⅛	12.87
Br Col Hydro 12½ 13	250	100⅛	−0⅛	12.87
Britoil Fin 11⅞ 90	125	98⅜	+0⅛	12.19
Canada 10⅞ 88	500	99⅝	+0⅛	11.05
Casio Computer 5⅞ 89	80	123	−9	0.04
CCCE 12⅝ 95	75	101	+0⅛	12.40
Citicorp O/S 10 86	300	98⅛	−0⅛	11.39
Citicorp O/S 10½ 90	100	93¼	0	12.22
Citicorp O/S 11½ 88	100	97⅞	+0⅛	12.20
Citicorp 11⅜ 90	100	98⅞	−0⅛	12.00
Citicorp O/S 12 87	200	100⅛	−0⅛	11.74
Citicorp O/S 14 94	100	101⅛	0	13.69
CNCA 13¾ 91	100	103⅞	+0⅛	12.29
Coastfed Int 12⅞ 88	125	107	+0⅛	11.82
Comp Bancaire 13⅞ 90	75	104⅜	+0½	12.58
Comsat 12¼ 91	100	99½	0	12.36
Creditstalt 13⅛ 91	100	102⅛	+0⅛	12.59
Daiichi Kangyo 12¾ 90	100	100⅝	+0½	12.04
Dart & Kraft 7⅜ 98	85	96¼	−0⅛	8.21
Denmark 11⅝ 90	100	97⅞	0	12.31
Denmark 12⅝ 92	250	100	+0⅛	12.73
[illegible]				

STRAIGHT BONDS: Yield to redemption of the mid-price. Amount issued is expressed in millions of currency units except for yen bonds, where it is in billions.
FLOATING RATE NOTES: U.S. dollars unless indicated. Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=current coupon.
CONVERTIBLE BONDS: U.S. dollars unless indicated. Prem=percentage premium of the current effective price of buying shares via the bond over the most recent share price.
WARRANTS: Equity warrant prem=exercise premium over current share price. Bond warrant ex yld=exercise yield at current warrant price.
* Perpetual.

Closing prices on April 4.

INTERNATIONAL CAPITAL MARKETS AND COMPANIES

Legal snags loom in bid for Hilton Hotels stake

By Paul Taylor in New York

GOLDEN-NUGGET'S $488m bid for a 27.4 per cent stake in Hilton Hotels, announced earlier last week as a first step towards a $72-a-share or $1.78bn full takeover of the Hotel and Casino group, appears likely to become ensnared on a long-running legal battle.

Golden-Nugget, a smaller U.S. casino group, is offering to acquire the 27.4 per cent stake from the estate of Hilton's founder, Mr Conrad Hilton, who died in 1979.

However, the estate is currently the subject of a bitter probate dispute between Mr Conrad Hilton's executors, Mr Barron Hilton, the founder's son and current Hilton chairman, who claims he has already exercised an option to acquire his father's stake at $24.20 a share, and others including the state of California. The courts have yet to rule on the dispute.

Following the Golden-Nugget offer which Mr Barron Hilton immediately termed "inadequate," Mr James Bates, the executor of the estate and a Hilton director, said he shared the same view.

Mr Bates, in a letter to Mr Stephen Wynn, Golden-Nugget's chairman and chief executive, added, "I would not undertake any transaction of the type you propose in your letter without prior approval of the probate court. In addition there is a substantial issue with respect to my power to sell."

State cash for Domtar paper mill

MONTREAL—The Quebec and Federal governments have come up with a package to finance the C$1.2bn (U.S.$872m) fine-paper mill being constructed in Windsor, Quebec by Domtar, the major Canadian pulp and building materials and chemicals group.

Societe de Developpement Industriel, an agency of the Quebec Government, will lend Domtar C$150m. Ottawa will pay half the interest on the loan, or about C$38m, with the Quebec Government paying the balance.

AP-DJ

CBS in takeover defence move

BY TERRY DODSWORTH IN NEW YORK

CBS, the U.S. broadcasting group at the centre of bid speculation, has taken steps to make itself less vulnerable to a takeover by restricting the process by which special shareholder meetings can be called.

The change in the group's by-laws eliminates the right of shareholders to call a special meeting if they can gather the support of 10 per cent of the shares in the company. The privilege of calling a meeting will now be limited to a vote of a majority of the 12 board members, or to a request by two directors.

The move by CBS seems particularly aimed at the Fairness in Media group, a right-wing pressure organisation which has said that it wants to take over the broadcasting company and eliminate its "liberal" bias.

Fairness in Media had previously stated its intention of trying to assemble a quorum empowered to call a special meeting. It said that it would take steps to fight the by-law alteration in the law courts.

The new restrictions on special meetings follow CBS's decision early last week to raise a $1.5bn credit line that is widely seen in Wall Street as a fund to be used to fight off a hostile bid.

The company has been subjected to heightening bid speculation ever since Fairness in Media, a group connected to Senator Jesse Helms of North Carolina, began its takeover move three months ago.

Although it has so far fought off this attack successfully, a large 8.7 per cent block of its shares has been bought by Mr Ivan Boesky, a leading Wall Street arbitrageur. CBS says it has rejected requests for a meeting with Mr Boesky but the presence of this holding is having a destabilising effect on trading in the company since Mr Boesky could easily sell to any would-be bidder.

Among parties said to have been interested in buying the group are General Electric, American Express, and Turner Broadcasting, the television group run by the flamboyant Mr Ted Turner of Atlanta. Both General Electric and American Express have recently indicated that they are not seriously considering a purchase at the present time. Mr Turner has refused to comment.

In the past he has expressed interest in the broadcasting company, but there is some scepticism on Wall Street that he would be able to put together a bid because of the heavy borrowings in his own business interests and the potentially high price that would have to be paid for CBS—probably well over $3bn.

● CBS yesterday announced net earnings of $16.7m for the first quarter of 1985. For the opening quarter of 1984, earninsgings totalled $38.9m. Net earnings from continuing operations for the wholeof last year were $245m.

Third successive profit rise for BHF-Bank

BY JOHN DAVIES IN FRANKFURT

BHF-Bank, the West German commercial and merchant bank, reports improved profits for 1984 and is effectively increasing its dividend.

It is also opening a branch in Singapore during the second quarter of this year in a further move to build up its international financial services activities.

The parent bank's partial operating earnings, which basically amount to net interest and commission income minus running costs, rose by 5.4 per cent to DM 123.8m ($39m) last year—the third increase in succession.

BHF put the parent bank's net profit at DM 42.8m, compared with DM 32.3m in 1983, and is setting the dividend, on increased capital, at DM 10.50 per share, compared with the combination of a DM 9 dividend and a DM 1.50 bonus on the 1983 results.

Net interest income of the parent bank rose by 5.5 per cent to DM 220.9m despite a slight fall in the interest rate margin. BHF's continuing efforts to expand its merchant banking and other service activities are partly reflected in a 6.3 per cent rise in net commission income to DM 106.1m.

This is the first time the bank's net commission earnings have exceeded DM 100m. Its commission income, which is almost half as great as its net interest income, is relatively high compared with other major banks.

Business volume of the parent bank rose by 12 per cent to DM 15.8bn last year, while the group's business volume was up 7.4 per cent at DM 28.1bn.

BHF-Bank has greatly restructured its activities in recent years. It has hived off much of its traditional branch business and has been concentrating more on growth-oriented individual and commercial business.

The bank streamlined its internal organisation last year, reducing the number of major divisions and integrating its domestic and international activities.

The new Singapore branch will deal with trade finance, currency, stock market and consortium business in South-East Asia. The bank's international operations already include branches in Tokyo and New York.

Kuwait Asia Bank lifts net earnings by 43%

BY MARY FRINGS IN BAHRAIN

KUWAIT Asia Bank (KAB), a Bahrain offshore banking unit owned mainly by Kuwaiti financial institutions, improved net profits by 43 per cent to $5.3m for 1984—its third full year of operation—and is to pay a first-ever dividend of 5 per cent.

Assets rose 28 per cent to $574m, and loans of $206m reflected a 34 per cent increase. At the year-end, 59 per cent of total lending commitments were to the Asia Pacific area and 38 per cent to the Middle East.

KAB has a branch in Singapore, affiliates in New Zealand and the Philippines, and a finance company associate in Korea.

Reviewing the bank's provisioning policy and risk exposure, Mr Salah Fahad al Marzook, the chairman, noted that progress had been made on debt rescheduling for the Philippines, where KAB's exposure is $11.2m, and for Morocco, where it has $7.5m.

This year KAB plans to place greater emphasis on investment activities and is considering setting up a holding company which would wholly own the Bahrain offshore unit and hold its present direct equity investment separate from the bank's balance sheet.

Queensland gold mine may pay larger dividend

BY MICHAEL THOMPSON-NOEL IN SYDNEY

PLACER Development, the Canadian miner, may authorise a larger than forecast maiden dividend on its Kidston gold mine, in North East Queensland, following the potential bonanza arising from the recent slump of the Australian dollar.

Kidston, Australia's newest and largest active gold mine, began full scale production this month. Placer has a 70 per cent interest in the group with 15 per cent owned by Elders-IXL, the Australian finance-to-brewing conglomerate and 15 per cent held publicly. Australian equity in the project is due to rise to 45 per cent next year.

Half Kidston's estimated 1985 production of 200,000 ozs of gold has already been sold at prices averaging A$480 an ounce. Over its first 12 months, Kidston is expected to produce 281,000 oz of gold and 164,000 oz of silver.

Originally, Kidston expected to pay an initial dividend, for the nine months to December 31 1985, of 12 cents a share. This was based on an average gold price estimate of U.S.$375, and a local dollar exchange rate of U.S. 85 cents.

But the Australian currency has fallen 20 per cent against the U.S. dollar this year, and 32 per cent since March 1984.

Elf Aquitaine turns in strong advance

BY PAUL BETTS IN PARIS

ELF AQUITAINE, the French state-controlled oil company, has reported a strong advance in net group earnings to FFr 6.5bn in 1984 compared with FFr 3.7bn the year before.

Sales rose to FFr 177.4bn last year from FFr 134bn in 1983, while cash-flow also increased to FFr 21.7bn, against FFr 16.6bn. Investments were maintained at FFr 14.8bn.

Elf's improved performance last year reflects the return to balance of basic chemicals activities and improved profitability in hydrocarbon production operations. Elf has now successfully absorbed the bclk of the heavy chemicals assets of the Pechiney aluminium group as part of the reorganisation of the nationalised chemicals industry in France.

In 1983, Elf's newly acquired basic chemicals operations lost FFr 1.3bn but they broke even last year as a result of the recovery in prices and demand. However, Elf's refining and petrol retailing business continued to lose heavily, reflecting the softness of the market and the impact of government pricing. However, the government has now freed petrol prices.

The full-year results of Elf show that profits slowed down in the second half of 1984 compared with the first half. In the first six months, earnings totalled FFr 4.5bn.

The company proposes to increase its net dividend to FFr 13.50 a share from FFr 12.

Bill to allow Petronas to buy Bank Bumiputra

BY WONG SULONG IN KUALA LUMPUR

THE MALAYSIAN Government has tabled an amendment Bill to allow Petronas, the national oil company, to venture into non-oil and gas activities.

The immediate effect of the bill would be to legalise the takeover by Petronas of Bank Bumiputra, the country's largest bank, which is currently the subject of a court suit.

Last September, the Government ordered Petronas to inject U.S.$1bn into Bank Bumi to save it from bankruptcy after major write-offs for bad loans given to Hong Kong property speculators, mainly the Carrian group.

The bank takeover is being challenged in court by the opposition Democratic Action Party which is arguing that Petronas cannot venture into non-oil and gas activities under the Petroleum Development Act of 1974. However, the government maintains that it can participate in other business enterprises.

The amendment Bill which is expected to be passed, will allow Petronas "the power to take over, or acquire by agreement, assignment, purchase or any other means, the whole or part of any commercial undertaking, business or enterprise."

It also allows Petronas to carry out or enter into any activity, whether mentioned in the (Petroleum Development) Act or not, which "prior to such taking over or acquisition was carried out by, and for the purpose of, that undertaking, business or enterprise."

An explanatory note attached to the Bill said: "The purpose of this Bill is therefore to put beyond any doubt the powers which Petronas has and enjoys."

Rights issue by Swiss insurer

BY OUR ZURICH CORRESPONDENT

HELVETIA-UNFALL, the Swiss casualty insurance group, plans to raise SwFr 26m through a one-for-10 rights issue in participation certificates. The issue is priced at SwFr 1,000.

For 1984 the group lifted gross premiums by 8 per cent to SwFr 647m, and improved net profits to SwFr 13.6m from the SwFr 12.2m of 1983. The year's dividend is being held at SwFr 32 a share.

The affiliated company Helvetia Swiss Fire, booked a 9 per cent rise in premiums to SwFr 735.9m and an improvement in earnings from SwFr 11.2m to SwFr 12.5m.

General Electric to cut 750 jobs

By Our Financial Staff

GENERAL ELECTRIC of the U.S. is to cut more than 250 jobs in its UK operations and a further 500 at its factory in Milwaukee.

The company, which manufactures scanner equipment for hospitals, blames the job losses on the decline in orders from the National Health Service in Britain.

Almost 200 people will be made redundant at General Electric's factory at Radlett, Herts – almost half the staff. The factory will in future concentrate on producing nuclear and magnetic residue scanners which cost almost £2.5m ($3m) each.

The company is finding that demand for conventional X-ray equipment is declining as more hospitals choose equipment which will carry out whole body scans.

As part of the cuts it will be closing its repairs and accounts operations at Slough where between 50 and 100 jobs are affected. About 50 of them will be offered jobs at Radlett.

The Radlett factory was owned by EMI until four years ago. The cuts are expected to take place within the next few months.

NEW INTERNATIONAL BOND ISSUES

Borrowers	Amount m.	Maturity	Av. life years	Coupon %	Price	Lead Manager	Offer yield %
U.S. DOLLARS							
Chugoku Marine Pts §‡	10	2000	15	3⅜	100	Yamaichi Int. (Eur)	3.375
Sumitomo Spec. Met. §‡	50	2000	15	3	100	Daiwa Europe	3.000*
Sony ¶	100	1990	5	7¾	100	Nomura Int.	7.750
Italy (a)†‡	500	2005	20	1/16	100	CSFB	—
Mitsui Trust (H.Kong) ‡	100	1990	5	11⅝	100	CSFB	11.625
South Africa ‡	75	1991	6	12½	99½	Commerzbank	12.624
Goldstar (b)†‡	30	2000	15	¼	100	Baring Brothers	—
Hanil Bank ϕ†‡	50	1995	10	(c)	100	BT Asia	—
Union Pacific ‡	100	1992	7	11½	100	CSFB	11.500
General Re ‡	100	1992	7	11½	100	CSFB	11.500
CANADIAN DOLLARS							
Hydro Quebec ‡	100	1995	10	12¼	100	Merrill Lynch	12.250
Chrysler Canada ‡	60	1992	7	12⅝	100	Orion Royal Bank	12.625
D-MARKS							
Asian Dev. Bank ‡	200	1997	12	7¾	99½	Deutsche Bank	7.816
SWISS FRANCS							
Dainippon Screen**§‡	100	1990	—	1½	100	SBC	1.500
Nat. Patent Dev. Corp. §	60 max	1995	—	5¾	*	Bqe Gutzwiller, K. B.	*
Nat. Patent Dev. Corp. §#		1995	—	6½	*	Bqe Gutzwiller, K. B.	*
Kyosan Elec. Man. **§‡	30	1990	—	1¾	100	Wirtschafts- und Privatbk.	1.750
Sonoike Man. Co. **§‡	100	1990	—	1⅝	100	Handelsbank	1.625
Yokogawa Hokushin **§‡	100	1990	—	1⅝	100	Credit Suisse	1.625
Toko Inc. ¶‡	70	1990	—	3	100	Credit Suisse	3.000
SWISS FRANCS							
Takasago Thermal **§‡	40	1990	—	1⅝	100	Nikko (Switz) Fin.	1.625
Sumitomo Realty **§	150 max	1990	—	(1⅞)	*	Credit Suisse	*
Kansai Electric ‡	150	1995	—	5⅝	100	UBS	5.675
STERLING							
S. Pearson ‡	100	1992	7	9	48⅝	Lazard Brothers	10.850
GUILDERS							
Yokogawa Hokushin §‡	100	1990	5	3⅜	100	AmRo	3.375
Philips **‡	100	1990	5	7½	100	AmRo	7.500
ECUs							
ANZ Banking ‡	50	1992	7	9¾	100	Bqe Paribas	9.750
Rabobank ‡	75	1995	10	9⅝	100	SBCI	9.625
LUXEMBOURG FRANCS							
Swedish Inv. Bank **‡	250	1990	5	10	100	Kredietbank Int.	10.000
YEN							
Sony §	30bn	2000	15	2	100	Nomura Int.	2.000
Fanuc §	20bn	1995	10	(2)	100	Nikko Secs. (Eur)	*
Nisshinbo Ind. §	15bn	1995	10	(2½)	100	Nikko Secs. (Eur)	*
OKB ‡	20 bn	1995	8	7.3	99.6	Nomura Secs.	7.358
Sekisui House §	15bn	1995	10	(2½)	100	Nikko Secs. (Eur)	*
RAND							
Escom (S. Africa) **‡	50	1990	5	10	—	Bayerische Hypotheken	—

* Not yet priced. ‡ Final terms. ** Private placement. § Convertible. † Floating rate note. ¶ With equity warrants. # Dual-currency. ϕ Mis-match. (a) 1/16 over 1m Libor. (b) ¼ over 6m Libor. (c) Higher of 3/16 over 6m Libor or 1/16 over 1m Libor.
Note: Yields are calculated on AIBD basis.

Sedgwick completes seven-year search with U.S. merger

BY JOHN MOORE IN LONDON

SEDGWICK GROUP, Britain's largest insurance broker, has been attempting to forge a link with a large U.S. broker for nearly seven years. Last week the hunt came to an end with the announcement that Sedgwick is merging with Fred S. James, the world's sixth largest broker, in a deal which values James at about £547m.

In the world league of insurance brokers, Sedgwick and James are ranked fifth and sixth respectively. The alliance could move them into second place behind Marsh & McLennan.

Sedgwick's attempts to forge stronger links with the U.S. market, which produces around half the world's insurance premiums, have involved two sets of talks with Alexander & Alexander Services, the world's second largest broker, a flirtation with Frank B. Hall, the third largest broker, and now the latest discussions with James, which got under way at the beginning of the year.

Ironically, Alexander & Alexander is attempting to forge a merger with Reed Stenhouse, the Canadian broker which is ranked seventh. The merger plan, announced last November, has run into trouble, although both sides are hoping that a deal will eventually be completed. If the Alexander & Alexander – Stenhouse merger goes through, Sedgwick and Alexander will be jockeying for second place.

Mr Dick Page, president and chief executive officer of James, summed up the James' philosophy behind the merger. "Although we are the fifth largest insurance broker in terms of revenue, we do not have the fifth largest book of business in the U.S. In North America we needed leverage, and the merger with Sedgwick will give us that."

In the latest accounts of Transamerica Corporation, the U.S. financial conglomerate which owns James, Mr Page said: "I believe that our industry is in a state of flux. We are beginning to see a polarisation where the big brokers are getting bigger and better, the small brokers are getting smaller, and the in-between group is disappearing."

The new spate of realignments taking place in the insurance broking community has been stimulated by the insurance underwriting cycle. In the U.S., conditions in insurance markets have been extremely competitive, premium rates have been falling, and as they have fallen so have the commissions earned by the brokers. The brokers are remunerated by the insurers and the commissions are calculated as a percentage of premiums.

Transamerica Corporation bought Fred S. James in 1982. Although the operating profits have grown from $3.9m in 1982 to $12.4m and revenues have expanded, its future growth was uncertain in more competitive markets. The group also needed wider representation internationally to place large accounts for clients.

The merger is taking place at a time when the underwriting cycle is said to be turning, with evidence of premium rates in insurance markets hardening. Brokers have been reporting that it has been difficult to place business as underwriters have been turning away unprofitable business. The large brokers with big placing clout in the market have been scoring over the smaller brokers, who have found it difficult to place business for clients.

For Sedgwick, the deal brings it closer to clients in the U.S. market through the James operations and will allow it to protect existing accounts through locally-based offices in the U.S.

The merger also strengthens both broking groups in a number of other areas. John F. Sullivan, the reinsurance broking operations of James, is second only to Marsh & McLennan's Guy Carpenter reinsurance broking activities. When added to the substantial reinsurance broking activities of Sedgwick the combined operation will be one of the most powerful reinsurance intermediaries in the world.

James also owns a Lloyd's broker, Wigham Poland, which established its reputation as a marine broker for Greek shipping fleets. The current malaise in the shipping world has led to a fall off in Wigham's core business and the merger will strengthen dramatically James operations in London.

For Transamerica the deal offers other possibilities. It will acquire a large strategic stake in Sedgwick, carrying 29 per cent of the votes of the enlarged Sedgwick Group, and 39 per cent of the equity.

Mr Frank Harringer, a vice-president of Transamerica, said last week that he hoped that Sedgwick and his group would be working together in the future.

The Sedgwick-James alliance also carries enormous significance for Lloyd's, the London insurance market. James, like all U.S. brokers, has channelled its London business through a range of large British brokers who have exclusive access to Lloyd's.

Now that James has formed a link with a substantial London-based intermediary with extensive Lloyd's links, that business is likely to be channelled through the Sedgwick connection. That will put pressure on other London brokers who have not formed a close link with an American partner and possibly stimulate further mergers.

This article was published last Wednesday on Page 11. It is being repeated for those readers in whose copies parts of the article were illegible because of a production error in Frankfurt.

UK COMPANY NEWS

NatWest adapts to meet worldwide competition

EXCELLENT PROGRESS in both new and existing markets is reported by Mr Philip Wilkinson, group chief executive of National Westminster Bank in his annual report.

The group's response to competition in these markets has been to ensure that it met the changing needs of its customers both in the UK and around the world.

The bank has already reported a 30 per cent increase in pre-tax profits to £617m for 1984. With a contribution of £405m the domestic banking division, which had an "excellent trading year," had contributed 60 per cent of total pre-tax profits after loan interest.

Lending to business in the UK, Mr Wilkinson points out, had exceeded £10bn, adding that the support and encouragement of small businesses was "one of the main priorities." The bank had extended £578m under its business development scheme to more than 40,000 companies and another £30m to 900 customers under the small firms loan guarantee scheme.

The annual report shows that the UK's share of total outstandings fell slightly to 44 per cent of the total, against 46 per cent in the previous two years. North America accounted for a larger share of 20 per cent, up from 16 per cent in the previous two years, while there was a decline in the proportion in Western Europe from 19 and 20 per cent in the previous two years to 15 per cent.

Personal lending at £7.08bn accounted for 30 per cent of total lending in the domestic market and for almost a third of the £3.25bn increase on the 1984 level. Lease financing increased by 13 per cent to £2.25bn.

The bulk of the lending by the bank's international offices went into commercial, financial and agricultural sectors which accounted for 54 per cent of the £6.15bn lent last year. These sectors also showed the most significant growth with lending at £3.33bn up by 39 per cent.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Finals:—Ex-Lnds, Greenbank Industrial, Helene of London, London and Continental Advertising, President Entertainments.

FUTURE DATES

Finals:—

Chepstow Racecourse	Apr 12
Edinburgh Oil and Gas	Apr 25
Folkes Group	Apr 22
Hunting Petroleum Services	Apr 11
Jerome (S.)	Apr 10
Plasmec	Apr 15
Savoy Hotel	Apr 18
Stanley (A. G.)	Apr 10
Sun Life Assurance	Apr 17
Wadkin	Apr 29

Hugin advances to near £3m

Hugin, the cash register group which was bought by its management from Electrolux in December 1983, increased pre-tax profit by 43 per cent to £2.95m in 1984. This was above the £2.9m projection made at the time of the buy-out and compared with £2.06m in 1983.

Turnover rose 18 per cent to £35.1m compared with £29.8m. The company has the backing of over 30 UK financial institutions, as well as its management and employees with a 16.5 per cent stake.

Hugin is currently at an advanced stage of negotiations to buy the Sweda International division of Litton Industries, the U.S. defence and industrial automation systems company.

In 1984 Hugin concentrated on selling higher-margin point-of-sale systems and maintaining tight cost controls.

Hugin is currently testing a version of its Alpha electronic cash register linked to IBM PCs and other brands of personal computers in North America and Europe.

The company now has its Scanpos system — to read bar codes on food—installed in 551 stores in 14 countries, but the breakthrough to a widespread use of scanning systems has still to come.

Hugin signed joint marketing agreements last year with Bizerba, the leading West German sales manufacturer, and with TCG, an Australian distributor of hand-held terminals for retailers.

Bizerba has taken twice the number of cash registers envisaged in the original agreement, while the TCG agreement has led a large order for the Scanpos system from a leading supermarket chain.

COMPANY NEWS IN BRIEF

TURNOVER IN 1984 of Macfarlane Group (Clansman) advanced from £34.1m to £41.52m and profits at the pre-tax level increased by £0.49m to a record £3.01m — Macfarlane is engaged in packaging and printing.

Sir Norman Macfarlane, group chairman, says the current year has started well with both sales and profits ahead of a year ago. He adds that all companies are operating profitably and he believes the outlook for the group is "still encouraging."

Earnings per 25p share amounted to 12.75p (13.1p). The final dividend is being increased from 2.2p to 2.475p.

* * *

Peek Holdings, which is engaged in the storage and handling of grain and animal foods, produced a profit of £6,969 for 1984, compared with a loss of £31,775. Turnover came to £3.86m, against £4.55m, from which a gross profit of £409,022 (£83,946) was earned.

The directors says the group experienced difficult trading conditions in the first quarter of 1985. However, they are hopeful that economies made by reducing the scale of operations, coupled with the "active pursuit" of new business opportunities, will lead to a satisfactory year's trading.

* * *

Greenfield Blacks reports higher pre-tax losses of £1.4m for the year to end-October 1984, compared with £459,000 previously.

The loss was struck after non-recurring rationalisation costs this time, and does not include figures from BCL (Holdings) or Blacks Camping and Leisure, acquired in October. The comparative figure has been adjusted to exclude the results of I. & M. Steiner, disposed of in October.

The directors of this retailer and wholesaler of leisurewear, camping equipment and household goods group, have already paid a 0.25p dividend in respect of the 16 month period ending February 28 1985.

Stated losses per 10p share are shown as 13.8p (3.8p).

* * *

Harrisons Crosfield has declared unconditional its agreed offer for Pauls, after receiving acceptances covering 86 per cent of the agricultural group's ordinary shares.

* * *

Keep Trust, a holding company with interests in motor trading, engineering and investments, achieved a 48 per cent increase from £1.15m to £1.71m in taxable profits for 1984.

Total group turnover was higher at £58.9m against £56.51m, which included £3.89m from merchanting.

The dividend is being doubled to 0.75p with the directors recommending a final distribution of 0.745p (same). Stated earnings per share were 3.2p (2.8p).

Allied Textile rejects LMI bid

Allied Textile Companies, textile and investment group, has rejected last week's bid from London & Midland Industrials.

Advised by S. G. Warburg, the company said that "the value and form of the proposed offer are demonstrably inadequate and unsatisfactory. A merger of LMI and ATC is without business or commercial merit."

ATC said LMI's principal objective in making the offer was to use ATC's financial resources to improve its own financial position.

ATC has a £20m investment portfolio in addition to its worsted cloth and other fabric businesses. LMI has said that ATC fits its criteria of specialised industrial activities, and that the acquisition would reduce its gearing and enable it to make further purchases, especially in the U.S.

Provincial Ins. underwriting loss soars

IMPROVEMENTS IN net investment income and the results of the non-underwriting subsidiaries and associates have failed to offset a large increase in underwriting loss at Provincial Insurance. And for the year 1984 the group's pre-tax profit has been halved to £3.69m, against £7.34m.

Trading conditions in the UK and overseas remained "highly unfavourable." General business written premiums rose from £124.4m to £157.75m, but the underwriting loss surged to £12.65m, compared with £5.39m. In the UK the loss was £8m mainly through the motor and household business, while reinsurance written in London also produced unsatisfactory results.

Overseas, growth was boosted by the acquisition of the Nordlyset Insurance Company in Denmark. Significant underwriting losses were recorded in Denmark and Canada, but the results in Australia were more encouraging and a satisfactory outcome was again reported from Singapore.

In life assurance, business continued to be buoyant with new gross sums assured leaping ahead to £223.5m, despite the withdrawal of life assurance premium in the course of the year. Again the long-term business transfer was £300,000.

Investment income less interest paid and management expenses came to £15.04m (£12.46m), and non-underwriting subsidiaries and associates contributed £2.27m (£1.32m). Exeter Trust made a significant profit, while both the profit and unit sales of Prolific unit trusts doubled.

Earnings per share are shown at 24.83p (47.15p), but the dividend total is lifted to 23p (21.5p) with a final of 13p.

FT Share Information

The following securities have been added to the Share Information Service:—

Synapse Computer Services (Section: Electricals.)

Gaskell Broadloom

Pre-tax profits of Gaskell Broadloom, maker of carpet underlays, floor-coverings and other non-woven products, totalled £1.2m for 1984. Figures for 1983 amounted to £1.35m including £125,000 from the disposal of listed investments.

Turnover rose to £15.35m (£12.73m). Depreciation for 1984 increased by £63,000 following the application of revised rates for plant and machinery from 7.5 per cent to 10 per cent. A final dividend of 3.5p makes a net total of 5p (4.5p).

Sharna Ware profits tumble

Sharna Ware, which owns Tri-ang toys, saw its pre-tax profits tumble from £806,000 to £105,000 for 1984, on turnover ahead at £27.52m against £24.72m. The traditionally better second half only generated profits of £84,000, compared with £735,000, mainly due to losses at Tri-ang.

Despite these results, the directors are recommending a same-again 1.5531p final dividend, for an unchanged 2.4531p total. Stated net earnings per 20p share are shown down at 2.6p against 11.6p.

Tri-ang toys, acquired in 1983, suffered from the impact of start-up costs, the strengthening dollar, and inadequate margins, which resulted in losses of £101,056 for 1984.

Mr S. Orchant, chairman of this Manchester-based group, which is also involved in cash and carry merchanting, says that demand is forecast to improve throughout the group in the current year.

In particular, he says, the cash and carry division which in 1984 added £237,458 (£348,076) to the group, will benefit from a full year's contribution from the new Stockport store.

Efforts will be made to improve the efficiency of all the group to take advantage of the policy of expansion undertaken during the last three years, he says, and he looks forward to reporting a favourable result for 1985.

Already manning levels have been reduced as a basis to improve productivity, and selling prices increased to restore profitability.

During the year under review Sharna Tri-ang showed a marginal increase in sales, the chairman says, but sustained a loss before tax of £44,390 (£427,128 profit), due to a squeeze on margins, and the strengthening dollar led to high costs of imported components, which could not be recovered.

Selling prices have now been increased, he says, and disciplines introduced to maintain stringent control of expense, and improve productivity. He believes that this division will make a "worthwhile" contribution to group profits in 1985.

New fund attraction for Scandinavian expatriates

Hellerup Bank, a Danish bank with DKr 3.7bn (£272m) in funds under management, is launching an open-ended fund to invest in the stock markets of Scandinavia.

Hellerup Scandinavian Fund, which has applied for a Stock Exchange listing, will invest around 20 per cent of its assets in Danish and Finnish fixed interest bonds.

The remainder will be spread evenly between Danish, Finnish, Norwegian and Swedish equities. The initial yield is expected to be around 4½ per cent.

Mr Ross Aitken, the fund's managing director, said the fund would appeal particularly to expatriate Scandinavians living in the UK.

"There are estimated to be over 27,000 Scandinavians resident in the UK," he said, "and Swedish expatriates alone are known to control funds of over £3bn."

Up to 20m shares are being offered at 100p each, including an initial charge of 5p paid to the managers. Annual management and administrative fees total 1½ per cent of the value of the fund.

Stockbrokers to the fund are Laurence, Prust & Co. The fund is resident in the Isle of Man.

Conder £0.4m in black

Conder Group has returned to profit following last year's heavy £4.68m loss. The result for 1984 was a surplus of £363,000, which worked out after tax to 2p per share, against a comparable 57p loss. All but £3,000 of the improvement came in the first half.

The directors of the group, an erector of steel framed buildings for industrial, commercial and community uses, resumed dividends in 1984 with a 0.75p interim—the first since 1982—and this is increased to 1.5p with a similar final.

Mr R. T. Cole, the chairman, said last year that he did not expect the big turn-round to profit to feed through into results until 1985. Last year's losses were caused by a £5.8m deficit on operations in Iraq.

Turnover rose from £98.47m to £110.14m. Associates contributed £234,000 (£43,000) to profits, which were subject to tax of £167,000 (£22,000).

Reduced losses at Robert Lowe

Robert H. Lowe, clothing manufacturer, expects an improvement in current year results after sustaining a reduced retained loss of £642,000 in 1983/84.

The loss for the 12 months to October 31 1984 compared with the previous year's £835,000 and the directors say that the current order book is "stronger in both size and quality than for four years."

The results were struck after interest payable of £99,000 (£41,000), tax of £1,000 (credit £59,000), and extraordinary charges of £431,000 (£492,000), stemming from the closure of the Swansea garment factory and the Congleton knitting department. The directors say that this completes expenditure on plant reorganisation schemes.

Turnover amounted to £7.95m compared with £8.16m.

There is again no dividend. The loss per share was shown as 6.63p (10.77p).

SHARE STAKES

CHANGES IN company share stakes announced over the past week include:

United Spring & Steel Group—Mr Brian Fenwick Smith now owns 1,356,000 shares (10 per cent).

Cocksedge — Stephen Lofthouse, Christopher and Linda Knight, and Knight City Securities have increased their holding to 222,500 shares (15.89 per cent).

Lonrho — R. W. Rowland, a director, acquired on March 28, an interest in 250,000 ordinary shares at 173p.

Wiggins Group—J. C. Wiggins, a director, sold 20,000 ordinary shares: and S. P. Hayklan, also a director, bought 20,000.

Phoenix Timber Group — M. J. Hermann, a director, has ceased to be non-beneficially interested in 39,000 ordinary shares.

Turriff Corp. — On April 1 an associate of Bajau purchased through the market an option in 75,000 Turriff ordinary. This increased holding of Bajau and its associates to 765,800 (17.4 per cent).

Kenning Motor Group—Kuwait Investment Office holds 9,840,999 ordinary designated NBK (London) nominees number one account. This represents 23.34 per cent of the capital.

FINANCIAL TIMES STOCK INDICES

	Apr. 4	Apr. 3	Apr. 2	Apr. 1	Mar. 29	Mar. 28	1984/85 High	1984/85 Low	Since Compilation High	Since Compilation Low
Government Secs.	80.76	80.85	80.87	80.95	81.21	81.10	83.77	75.72	127.4	49.18
Fixed Interest	85.46	84.45	85.46	85.49	85.53	85.57	87.48	80.43	150.4	50.53
Ordinary	962.5	956.5	969.4	963.8	964.3	978.1	1024.5	755.3	1024.5	49.4
Gold Mines	509.3	514.4	506.8	507.6	515.2	506.3	711.7	439.5	734.7	43.5
FT-Act.All.Share	615.70	615.51	620.15	616.59	616.26	620.35	630.16	464.84	630.16	61.92
FT-SE100	1278.5	1274.8	1286.8	1278.3	1277.0	1287.1	1309.9	986.9	1309.9	986.9

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1984/85 High	1984/85 Low	Stock	Closing price p	+or−	Net Div.	Times covered	Gross Yield	P/E Ratio
§165	F.P.	—	172	165	‡Assoc. Steel Dist.£1	172	.....	u5.0	2.1	6.6	11.9
§82	F.P.	19/4	79	72	‡BTS 10p	74	−2	bg3.4	2.0	6.6	9.5
*185	F.P.	3.5	225	175	‡Bedford (William) 5p	175	−5	n5.5	2.6	2.9	15.3
*112.30	F.P.	—	115	100	Blagden Inds.	114	−1	7.2	1.8	9.0	7.8
§60	F.P.	3.4	88	73	‡Crown Int'l.Prod10p	73	−5	bg2.1	1.6	4.1	18.7
‖‖	F.P.	—	127	118	Cullen's Hldgs 10p	125	.....	—	—	—	—
—	F.P.	—	42	37	German Small. Wrrts.	41	.....	—	—	—	—
¶145	F.P.	14/5	180	153	Hillsdown Hldgs. 10p	155	.....	bgd3.5	2.7	3.2	16.1
‡82	F.P.	3/5	86	80	‡Laidlaw Thomson	80	−2	g3.5	2.0	6.2	11.2
*145	F.P.	26/4	172	166	Mann 20p	172	+2	bg3.5	2.6	2.9	17.5
100	F.P.	12/4	130	117	‡Mayhew Foods 10p	118	.....	bg1.32	2.9	2.5	18.5
175	F.P.	—	210	196	New London Oil 5p.	200	.....	—	—	—	—
100	75	1/5	78	70	Pacific Assets Tst.50p	76	.....	—	—	—	—
—	F.P.	—	44	39	Do. Ser. 1 Warrants	42	.....	—	—	—	—
**	F.P.	—	90	80	P.&O. Warrants	85	+5	—	—	—	—
100	F.P.	16/4	107	91	‡Pepe 10p	98	−1	u3.0	2.5	4.7	12.3
£7.25*	F.P.	25/4	730	620	Plantation Tst Units	705	−5	—	—	—	—
—	F.P.	26/4	95	90	REA Warrants	90	.....	—	—	—	—
‖‖	F.P.	—	69	57	‡Sangers	62	+3	—	—	—	—
100	F.P.	—	92	90	Shorrock 10p	91	−1	1.5	2.5	2.4	25.9
§128	F.P.	11/4	165	142	‡Sims Catering 5p	147	−1	bg3.5	2.1	3.6	17.0
*175	F.P.	—	170	175	Sintrom 10p	175	.....	ug1.84	3.3	1.5	28.9

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1984/85 High	1984/85 Low	Stock	Closing price £	+or−
91.574	£30	10/4	36	27	African Dev. Bank 11⅛% Ln. 2010	35⅛	−¼
100	F.P.	2/5	103¼	101¼	BournemouthWtr. 12¾% Red. Deb. '95	103¼	.....
‡101	£51	15/2	54	50	Felixstowe Dock Prf. Units †	53	+½
85.81	£30	19/6	31	24	Int.-Am. Dev. Bk. 9¾Ln. 2015	30⅛	−¼
100	F.P.	8/5	105¼	101¼	Mid Kent Wtr. 12¼% Red. Deb. 1995	103¼	.....
100	F.P.	2/5	102¼	100½	Do. 12¼% Red. Deb. 2005	102¼	.....
¶100	£10	25/5	12¼	12	Mid Southern Wtr. 9% Red. Prf. 1990	12¼	.....
§97½	F.P.	26/4	100½	98¼	Mid-Sussex Wtr. 12% Deb 2010	100½	+¼
—	F.P.	—	100	99¾	Nationwide Bldg. Soc. 12⅝% 31/3/85	100	.....
—	F.P.	—	120	108	P. & O. 6.5% Conv. Red. Prf.	110	+2
—	F.P.	26/4	97	93	REA Hldgs. 9% Cum. Pref.	95	.....
—	F.P.	26/4	111	105	Sheafbank Prop. 6% Cum. Conv. Prf.	106	+1
49.895	£30	12/7	35½	30	Spain (Kingdom of) 11¾% Ln 2010	35⅛	−⅛
91.975	F.P.	27/3	96⅞	89½	Sweden 11% Ln. 2012	95¾	−¼
‡	F.P.	12/4	101½	100½	Wigfall (H) 7% Cv.Cm. Prf Rd	101	.....

RIGHTS OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1984/85 High	1984/85 Low	Stock	Closing price p	+or−
82	Nil	—	15pm	14pm	Aaronson Bros. 10p	15pm	.....
8	F.P.	29/4	38	18	‡Acorn Computer 1p	25	−1
160	Nil	—	222pm	192pm	Barclays £1	192pm	−18
178	Nil	—	17pm	15pm	Bespak 10p	16½pm	+½
226	F.P.	—	275	250	Bibby (J) 50p	230	.....
65	Nil	~17/5	223pm	185pm	Bullough 20p	193pm	.....
A$2	A$1	—	104	96	●CSR A$1	108	+4
38	Nil	16/5	10pm	6½pm	FKI Electricals 10p	6½pm	−½
245	Nil	31/5	78pm	55pm	Fisons	55pm	−2
238	Nil	10/5	35pm	18pm	Glass Glover 5p	18pm	−3
70	F.P.	—	75	66	Jackson Expln. †	66	.....
13½	F.P.	26/4	14½	12	Lyle Shipping Prefd. 5p	12¼	.....
66	Nil	—	4pm	3pm	Mitchell Cotts	3½pm	.....
185	Nil	—	18½pm	14pm	Morgan Crucible	14pm	−1
A$0.2	Nil	—	3pm	2½pm	●Oil Search	2½pm	.....
550	F.P.	26/4	385	360	R.E.A. Hldgs.	360	.....
7	Nil	—	7½pm	7pm	Ryan Intl. 5p	7½pm	.....
33¼	F.P.	12/4	68	56¼	‡Sangers	60	.....
190	F.P.	31/5	204	193½	STC	198	.....
315	F.P.	19/4	356	331	Trafalgar House 20p	335	−7
158	F.P.	14/5	178	168	United Biscuits	170	.....
240	Nil	13/5	28pm	5pm	Watmoughs	5pm	.....
15	Nil	—	4pm	3pm	Worthington (A. J.)	3pm	.....

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1985. H Dividend and yield based on prospectus or other official estimates for 1984. Q Gross. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or takeover. ■ Allotment letters or fully-paid. ‖‖ Introduction. ‡ Unlisted Securities Market. § Placing price. ¶ Figures assumed. †† Official London Listing. ‡‡ Dealt in under Rule 535(3). † Comprising 100 Prf. and one Ptg. share. ● Figures or report awaited. ‡‡ Units comprising 5 Ord., 1 Warrant and £2.50 nominal of conv. stock.

PENDING DIVIDENDS

Dates when some of the more important company dividend statements may be expected in the next few weeks are given in the following table. The dates shown are those of last year's announcements except where the forthcoming board meetings (indicated thus*) have been officially notified. Dividends to be declared will not necessarily be at the amounts in the column headed "Announcement last year."

	Date	Announcement last year
Akroyd & Smithers	May 8	Interim 5.714
*Anglo Amer Invst Tst	Apr 15	Final 440c
BCI	Apr 26	Final 13.0
BOC	May 10	Interim 3.15
BPCC	Apr 18	Final 6.0
*Bank of Scotland	Apr 22	Final 16.5
Barrow Hepburn	Apr 18	Final 1.4
Bilton (P.)	May 4	Final 8.493
British Home Stores	May 8	Final 4.25
*Brixton Estate	Apr 17	Final 2.7
*Burmah Oil	Apr 11	Final 8.25
Costain	May 8	Final 8
Debenhams	May 10	Final 5.3
European Ferries	May 9	Final 2.7
Flight Refuelling	Apr 27	Final 1.8
*Foseco Minsep	May 1	Final 4.7
French Kier	May 2	Final 5.725
Gerrard & Nat Discount	May 10	Final 9
*Gill and Duffus	Apr 12	Final 6.0
*Glaxo	Apr 15	Interim 4.0
Hammerson Prop	Apr 30	Final 12.0
Harris Queensway	Mar 29	Final 4.75
*Hawker Siddeley	Apr 12	Final 7.1
Hepworth (J)	May 1	Interim 2.25
Inchcape	May 2	Final 11
*Kwik Save	Apr 12	Interim 1.3

	Date	Announcement last year
Laing (J.)	May 2	Final 3.75
*Laporte	Apr 18	Final 6.5
Marks & Spencer	May 1	Final 4.2
Menzies (J.)	Apr 30	Final 4.0
Minet	Apr 26	Final 2.45
Morgan Crucible	Apr 12	Final 4.0
Mowlem (John)	May 4	Final 9.0
NEI	Apr 17	Final 3.6
Nurdin and Peacock	Apr 24	Final 2.1
Pearl Assur	Apr 10	Final
*RMC	Apr 17	Final 7.9
*Raybeck	Apr 20	Final 0.5
*Rio-Tinto Zinc	Apr 17	Final 12.0
Royal Bank Scotland	May 10	Interim 3.3
*Rugby Portland Cement	Apr 15	Final 3.1
Samuel Props	Apr 26	Interim 1.5
Saatchi & Saatchi	May 1	Interim 5.64
Simon Eng	May 8	Final 10
*Smiths Inds	Apr 10	Interim 4.75
*Sun Life Ass	Apr 17	Final 10
*Tarmac	Apr 30	Final 10.0
Taylor Woodrow	Apr 10	Final 19.0
Tootal	May 4	Final 1.4
Travis and Arnold	Apr 25	Final 5.145
*Wimpey (G.)	Apr 25	Final 2.2

* Board meeting intimated. † Rights issue since made. ‡ Tax free. § Scrip issue since made. ¶ Forecast.

Over-the-Counter Market

Capitalisatn. £000's	Company	Price	Change on week	Gross div. (p)	Yield %	P/E Actual	P/E Fully taxed
4,845	Ass. Brit. Ind. Ord.	142xd	—	6.6	4.4	7.9	9.4
—	Ass. Brit. Ind. CULS	148	—	10.0	6.8	—	—
3,300	Airsprung Group	57	—	6.4	11.4	6.2	7.4
850	Armitage and Rhodes	34	—	2.9	8.5	4.2	7.0
44,883	Bardon Hill	144	—	3.4	2.4	14.5	24.2
2,970	Bray Technologies	54	—	3.5	6.6	6.3	9.0
1,970	CCL Ordinary	170	—	12.0	7.1	—	—
—	CCL 11pc Conv. Pref.	110	—	15.7	13.6	—	—
6,606	Carborundum Ord.	1,000	+80	5.7	0.6	—	—
—	Carborundum 7.5pc Pf.	88	—	10.7	12.2	—	—
4,070	Deborah Services	52	−1	6.5	12.5	5.0	8.0
20,176	Frank Horsell	314	—	—	—	12.6	16.5
—	Frank Horsell Pr.Ord.87	268	—	9.6	3.6	10.8	14.1
3,900	Frederick Parker	27	—	—	—	—	—
1,070	George Blair	58	—	—	—	3.9	7.8
934	Ind. Precision Castings	23	—	2.7	11.7	6.3	6.8
14,839	Isis Group	189	—	15.0	7.9	7.5	13.6
5,256	Jackson Group	101	—	4.9	4.9	4.7	9.1
33,973	James Burrough	245	−5	13.7	5.6	8.7	8.7
2,947	James Burrough 9pc Pf.	85	—	12.9	15.2	—	—
8,962	John Howard and Co.	86	−1	5.0	5.8	8.8	12.5
3,540	Linguaphone Ord.	200	+20	—	—	7.4	7.7
—	Linguaphone 10.5pc Pf.	97	+1	15.0	15.5	—	—
17,422	Minihouse Holding NV	640	+20	3.8	0.6	45.7	50.0
459	Robert Jenkins	45	—	5.0	11.1	—	—
1,320	Scruttons "A"	32	—	5.7	17.8	16.6	3.9
1,879	Torday and Carlisle	77	−1	—	—	8.3	17.5
1,564	Trevian Holdings	345	−5	4.3	1.2	19.9	19.6
4,318	Unilock Holdings	27½	—	1.3	4.7	13.3	19.2
12,153	Walter Alexander	95	—	7.5	7.9	9.4	11.4
5,041	W. S. Yeates	215xd	—	17.4	8.0	6.1	10.6

Prices and details of services now available on Prestel, page 48146

UK COMPANY NEWS

Druck moves up to £0.71m

A FURTHER advance in taxable profits from £557,000 to £712,000 was made by **Druck Holdings** over the six months to end-December 1984.

Druck, a USM stock, is a holding company with interests in the manufacture of electronic pressure measuring devices. Turnover for the period advanced to £3.31m against £2.51m.

The profits increase follows an advance in the second half of last year which left the 1983/84 result 32 per cent ahead at £1.36m.

A higher interim dividend of 1.5p (1.3p) is being paid, which is covered four-fold by stated earnings per 5p share of 6p (4.6p).

On prospects Mr John Salmon, the chairman, says that orders are continuing at a "considerably higher level" than last year and the export percentage is still increasing. Last year overseas turnover accounted for over half of total sales for the first time since the early years of the company.

Elys (Wimbledon)

Elys (Wimbledon), department store retailer, improved pre-tax profits for the 53 weeks to February 2 1985 from £380,000 to £473,000, on turnover up from £7.63m to £7.81m, including VAT of £995,000 (£938,000).

An increased final dividend of 8p (6.5p) lifts the total for the year to 9p (7.5p).

After a higher £234,000 (£123,000) tax charge, stated earnings per share emerged at 19.9p (21.4p).

Life business helps boost Britannic surplus to £5.5m

AS A result of increased profit contributions from the two life operations, **Britannic Assurance** reports a near one-fifth rise in surplus for 1984, from £4.6m to £5.47m.

Dividends for the year amount to 25.5p against the previous year's payment of 21.8p — a rise of 17 per cent.

The profit transfer from the industrial branch is increased by 21 per cent from £2.92m to £3.54m, while the contribution from the ordinary branch is lifted by nearly 20 per cent from £1.6m to £1.9m. These increases reflect the current healthy situation in UK life assurance business with strong new business growth in recent years and good stock markets.

The company's general branch operations were hit by the deteriorating conditions in 1984 in UK general insurance business. The loss last year rose from £58,000 to £603,000 after a £235,000 transfer from the Claims Equalisation Reserve.

The company has made substantial improvements in its bonus rates to policyholders based on the 1984 valuation. In the ordinary branch a basic bonus rate of £5.5 per cent of the sum assured has been declared, increasing with duration of the policy to a maximum of £7.5 per cent for policies taken out in 1959 or earlier.

The terminal bonus scale has been improved, with the new scale ranging from 80 per cent to 450 per cent of the sum assured for each year's premium paid before 1981.

Pension contracts have a reversionary bonus rate of £6.65 per cent of the basic benefit rising to a maximum of £8.65 per cent for contracts taken out in 1959 or earlier. The terminal bonus for these policies varies from 40 per cent to 94 per cent of the maturity annuities.

In the industrial branch, the reversionary bonus rate varies from £4.4 per cent to £6 per cent of the sum assured, plus a special reversionary bonus of 15p per cent of the sum assured for each year in force up to a maximum of £4.5 per cent, plus a further 40p per cent for policies taken out prior to April 1979. Terminal bonus rates are improved, the new scale varying from 18 per cent to 128.5 per cent.

Fitzwilton maintains interim

IN SPITE of difficult trading conditions for the textile wholesaling subsidiary, the Dublin-based **Fitzwilton** group has turned in a profit of I£54,000 (£44,400) in the half year ended December 31 1984, against a loss last time of I£35,000. The latter has been adjusted to take in Goulding Chemicals, which has introduced a strong seasonal bias into the group.

In recognition of the strong reserves and asset position of Fitzwilton, the directors are holding the interim dividend at 1p net per share.

Since the end of the half year, important developments have taken place in regard to the investment in Gouldings. Canstan Investments acquired 50 per cent of the capital of Gouldings from Agro Chemical, and Fitzwilton has agreed an option with Irish Agricultural Wholesale Society whereby it can purchase from Fitzwilton 30 per cent of the capital of Gouldings in June 1986.

Fitzwilton has been repaid 50 per cent of its loan to Gouldings amounting to £750,000, and it is expected the remainder will be repaid in three equal annual instalments. Its guarantees of Gouldings' bank loans are expected to be reduced from £2.5m to £1m this year and eliminated entirely in 1986.

The Fitzwilton board feels that recent developments will prove a "highly positive" step for the company. It greatly reduces the capital employed in the fertiliser sector, holds out the early prospect of eliminating the guarantee and risk exposure, enhances the cash flow and liquidity and strengthens the balance sheet.

For the half year subsidiaries produced a trading loss of £20,000 (profit £176,000) and associates a profit of £285,000 (loss £104,000). After tax, minorities and extraordinary loss, the attributable loss is £173,000 (£185,000).

Jefferson Smurfit bids for IC Life

Ireland's largest company Jefferson Smurfit Group has made a bid for the entire equity of Insurance Corporation Life, the profitable subsidiary of the troubled Insurance Corporation of Ireland, in conjunction with the Life Companies management and other investors.

The formal offer was made to the administrator appointed to run the company after the Irish Government took it over from Allied Irish banks. However, there is no guarantee that the administrator is ready to sell off the life subsidiary, and such a decision would rest ultimately with the Government.

Insurance Corporation Ireland has losses, estimated at between I£50m and £120m, but the life company is one of Ireland's most successful insurance firms, with profits last year of £I3m, and funds of almost I£300m, making it the country's second largest insurance company.

Managing Director of Adrian Daly has been trying to arrange a management buyout since the Government takeover. He said last night that he believed a tieup with the Smurfit group would be the best way to end the present uncertainty and restore confidence in IC Life.

Other bidders are likely to join the competition for IC Life with some analysts predicting that the company could fetch up to I£40m. The problem for the Government is to chose between raising the cash, to defray some of the general losses or holding onto the only profitable part of insurance corporation of Ireland.

United Trust profit growth at 147%

A SHARP upturn in profits for 1984 is reported by United Trust & Credit, the young merchant banking business run by Mr Richard Owen and Mr Geoffrey Simmonds, former executives of Bremar Trust.

At the pre-tax level, the company is ahead by £179,394 to £301,785, a surge of 147 per cent, and the directors are recommending a maiden dividend payment of 5p per share.

Corporate finance provided a gross profit before expenses of over £500,000 last year, with the company promoting three companies to the unlisted Securities Market including John Kent, Applied Holographics and Sangers Photographics. Between them the three issues raised over £5m.

During the year the group was also involved in the promotion of Gable House Properties, UT & C's first USM issue in 1983, to the fully quoted market.

UT & C has been modestly active in arranging issues on the over-the-counter market and through its 75 per cent owned licensed dealer, UTC Securities Management, the company has seen a substantial increase in its dealings in OTC and USM stocks.

The company also has 25 per cent stakes in a property company, UTC Trading Corporation, and a commercial lending business, United Loan Corporation.

Turning to the future, the directors report that the company continues to be involved in a substantial amount of corporate work for both private and public companies and prospects for the remainder of the year are favourable. They look forward to a further year of "considerable progress" with a substantial increase in the level of pre-tax profits.

Feedback short on last year

THE SECOND half at Feedback, the manufacturer of electroic and microprocessor based equipment, has shown a "substantial recovery," but it has been insufficient to give the group the level of profit for the year ended March 31 1985 which is expected.

At the interim stage the group had made only a £4,862 profit because of a distorted pattern of shipments. The second half, however, was expected to produce a substantial recovery to give the year's profit comparable with the £1.05m achieved in 1983-84. The directors have not released an actual profit figure for 1984-85.

The shortfall in the second-half results from a delay in the receipt of a letter of credit for a large Middle East contract for educational equipment, and this led to the shipment being deferred.

Winding up orders on 84 companies

Compulsory winding up orders against 84 companies have been made by Mr Justice Nourse in the High Court. They were:

Spellsound, Wellington Marketing Services (UK), Dellfive, Bytedrive, Margarita Travel, Packmark (Agencies).

Colourful, Nationwise, Tring Hall Securities, Jyoti Graphics & Typesetting, Thornton & Lord (Trade Parts), Agricultural Economy (D.I.Y.).

Motor & General Supply Company, Seven One Five Management, Alstar Fashions, Taitel Electronics, Green Productions, Conebeam, Crush Bros., Modern Electrical Installations.

Softcap, Hanover Securities, Streamcrest Builders, S. & G. (Agencies), Easevale, John J. Ashburner & Co.

A. R. and N. Marsh, R. and H. Design and Build, Surfsprint, Sevenoaks Stationers, Threechants, Aerco Productions.

De Victa, Electric Welded Chain Company (UK), Regiment, The Parson Woodforde (Norwich), J. V. Electronics, Heard's Garages.

Topvale, Windjammer Pressings, Rigbycourt, Sevcan Tourism, The Big Fellow, Metallising Research, P.R. Lake.

Sharmaids, Kingsway Building Company, G. H. Plant & Sons, Townley Glass, Sidoil Services (UK), Popular Homes Extensions.

Topal, J.C.C. Sales & Marketing (UK), Maxson Painting Contractors, Fairman Contractors, Scriven's Sound Relay, Daysel Foods.

William Reape, W.L.H., Harris & Sons Fabrics, Galath Holdings, Lenapart, Stuart Parker (Milton Keynes).

Snowflute, Askew Cunningham, M.C.S. Agencies, Kimberley Gold, Alan Finn, Showclub, Alan A. Bryant.

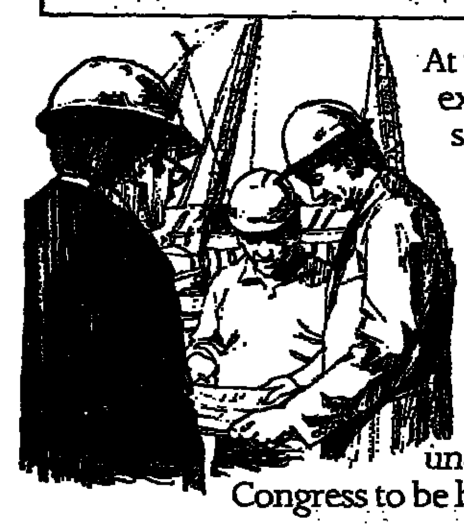
A. P. S. Services, Caprician, Fotobar, Beldworth, L.E. Keen Presentations, Adeptstar, Wolfrace Wheels.

Homeserve, C.B.T. (London), Gary Graham Bathroom Supplies, African Caribbean & Pacific Trading Company, Datadrive, Callode, Capri Dairy Ice Cream Company.

NatWest in action in 1984

'putting money to work'

For our business customers



At the end of 1984 our lending to business in the UK exceeded £10 billion, helping to create jobs in many sectors. Of this, around half went to supporting both existing and new small businesses, including £578 million lent to over 40,000 firms under our Business Development Loan Scheme.

NatWest has also been pleased to sponsor the first Chair in Small Business Development in the School of Management at the Cranfield Institute of Technology – and we shall be underwriting the International Small Business Congress to be held in London during 1986.

We also continue to be the clear leader in the fast-growing field of franchising. By the year end, we had created specially tailored schemes involving advances of £15 million, helping yet more people to set up businesses and create more jobs.

And we maintained our support for farmers; our lending to this important industry now exceeds £1 billion.

For the community

The strength and stability of NatWest throughout the world, and the excellent results achieved in 1984, enabled us to play an even greater part in investing in Britain and in helping to create opportunities for employment.

Over 3,000 new entrants joined us during the year, and we provided 500 places under the Youth Training Scheme. We also support Project Fullemploy, which offers training to young unemployed people.

All told in 1984, NatWest allocated over £6 million through our Community Service Programme by way of help to the disadvantaged, by staff secondments and through a wide range of sponsorship and job creation projects. This included £1 million given to nine centres around the country as part of our Inner City Development Programme.

The result is that over 4,000 organisations and over 2,000 projects benefited from NatWest's support.

For our personal customers

Among the UK banks, we continued to be the leading provider of mortgages. To date, we have lent over £3 billion helping over 130,000 customers buy their own homes.

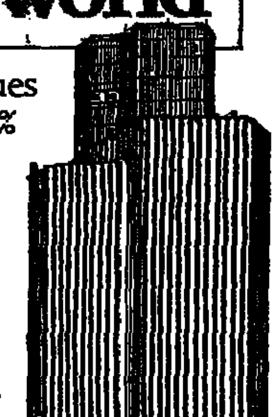
This is a clear indication of our long-term commitment to providing mortgages at competitive rates. In 1984 alone, new mortgages totalled over £650 million.

Starting next month, we begin our programme of opening key NatWest branches on Saturday mornings.

Our network of Servicetill and Rapid Cash Tills has grown to over 1,540 and, through our arrangement with Midland Bank, we plan to have a combined network of over 3,300 machines in use by the end of 1985.

In all, such services helped NatWest to attract half a million new personal customers, many of them young people. Almost 40% of first year college students in 1984 chose NatWest as their bank.

Around the world



National Westminster Bank USA continues to make excellent progress, achieving a 53% increase in pre-tax income to US $65.5 million. The opening of our new US headquarters in New York has drawn together the head offices of both parent and subsidiary banks in the USA, creating useful operational benefits and a strong visible commitment to North America.

Our specialised Corporate Financial Services units again achieved outstanding success. We were the first British bank to be sole lead manager for a syndicated project loan for the North Sea, assembling a US $225 million financing for the French oil group Total for the development of their share of the Alwyn North Field.

We strengthened our network of International Banking Centres in the UK, which give invaluable assistance to exporters.

Overall, the Group's strong performance in 1984 reflects the growing income from the largest branch network in the UK together with the important contribution made by NatWest's international representation in 35 countries.

For savers

Our 'Piggy Bank' and 'On-Line' savings schemes continue to be well supported by a large and growing number of young customers. We also offer a wide range of attractive and competitive schemes. The Special Reserve account was launched in January 1985 as an ideal companion to the Current Account.

Financial Highlights 1984

Pre-tax profits	£671 million
Total assets	£71,517 million
Deposits	£65,515 million
Advances	£55,391 million

The Annual Report and Accounts may be obtained from The Secretary, National Westminster Bank PLC, 41 Lothbury, London EC2P 2BP.

NatWest's capital investment in 1984 was £222 million, mainly spent in the UK. We expect this rate of expenditure, which will include about £120 million per annum on electronic equipment, to continue for some years ahead.

The Chairman, Lord Boardman, comments:–

"I believe the Group's past achievements and future potential are now more widely recognised, as indicated by our inclusion among the 30 companies comprising the Financial Times Ordinary Share Index. Not only is ours the first financial sector share chosen for inclusion but it gives appropriate recognition of the contribution made by the financial services industry to the economy.

The banking industry has had more than its fair share of restrictive legislation in recent years and the time has come for more evident encouragement to be given to the banks as major contributors to our national prosperity.

Change and competition from whatever quarter are not developments we fear. Indeed, we welcome competition, knowing it is to the advantage of the public. Our task is to outperform our competitors, striving always to give our customers a better service.

The strength and stability of the National Westminster Bank Group are considerable by any standards and it is in the national interest as much as our own that this should remain so. We make a substantial contribution to the nation, not only in the form of overseas earnings but also through the rates and taxes that the Bank and its employees pay, and in the support we continue to give to British business, in times both of recession and growth."

NatWest

The Action Bank

£10m Marconi research order

The Marconi Company has awarded a £10.2m contract to HIGGS AND HILL BUILDING for construction of a research and development facility at Croxley Mill, Watford. Due for completion in April 1986, the contract comprises five main buildings covering a gross floor area of about 21,000 sq metres. The contract includes construction of a facilities building with offices, laboratory and engineering buildings and a canteen. External works include car parking and landscaping.

*

R. MANSELL has won contracts totalling nearly £10m for refurbishment, repair, design and build, maintenance and minor works. At Mayday Hospital, Thornton Heath, the company has a £2.1m contract for the South West Thames Regional Health Authority involving alterations and upgrading to existing buildings and the construction of extensions to provide a new maternity department, including central delivery suite, special baby care unit, and ante and post natal obstetrics unit. Works starts on May 13 for completion in October 1986. A £2m refurbishment is underway for Oldham Estates of an eight-storey office building at 177, Fleet Street, EC4. Work comprises replacing concrete floors on all stories, installation of air conditioning, lighting, heating, ceilings, windows and decoration. Also involved is building of a semi-mansard roof to contain plant, provision of two lifts and construction of separate office section at the rear on former car park. Work has started for completion in September 1986. A £1.2m refurbishment of Pelham Pool, Elmfield Road, SW12, is for the London Borough of Wandsworth, involving reduction of existing pool by 25 ft and provision of changing facilities and sports services, including four squash courts and a gymnasium. Work starts on April 20 and completes in June 1986.

*

KIER INTERNATIONAL in joint venture with Gammon (HK), has just been awarded a contract by Castle Peak Power Company, Hong Kong, to extend the cooling water outfall. The work will comprise constructing a 220-metre concrete outfall founded on concrete piles, and is worth about £5m. Completion by the end of November.

BUILDING CONTRACTS

Boost for Cementation

Two contracts for recently-acquired Dowsett Construction feature in CEMENTATION civil and specialist engineering division's £20m orders. The largest Dowsett job, worth £2.2m is for West Sussex County Council and involves converting a section of the A264 near Faygate to dual carriageway. Dowsett has also been awarded a £1.75m design-and-build contract for new council offices at Northallerton for Hambleton District Council.

Cementation Construction's most recent orders include two roadworks contracts: Stage 3 of the Reading Inner Distribution Road worth £2.5m and the Chelmer Valley route South, in Essex. This £3.9m project is close to the Chelmsford by-pass, a £26.5m scheme which Cementation started in the middle of last year. The company commenced work last month at Humbly Grove, near Alton, providing £2.3m of civil engineering works for the development of this onshore oilfield for Carless Exploration. The work entails development of six well sites, a production site, roadworks, services and the export terminal.

Both Bristol and Heathrow airports are included in Cementation's list. At Heathrow the company is "overslabbing" the South Taxiway in work worth £2.7m and, at Bristol, a combination of Marshall asphalt and pavement quality concrete is being laid to extend and improve aircraft parking facilities.

The division's main specialist engineering company—Cementation Piling and Foundations—has secured over £2m in piling and ground engineering work, in a total of 86 contracts.

Cementation is part of Trafalgar House Group.

£11m batch for Tarmac

Contracts, together worth more than £11m have been awarded to TARMAC CONSTRUCTION. The largest, at £5.1m is for constructing the shell of a supermarket and ancillary works at Brierley Hill, West Midlands, for V and P Midlands. Four contracts have been awarded to the company's contract housing organisation—repairs to 11 blocks of flats for Birmingham City Council (£995,000); building 36 elderly persons flats and communal facilities at Telford, for Hanover Housing Association (£909,00); modernising 100 homes at Burton-on-Trent, for East Staffordshire District Council (£832,000); and modernising 72 homes at Swindon, for North Wiltshire District Council (£719,000).

Other projects include demolition, alteration and refurbishment works to a store at Nottingham, for Pengap Securities (Edinburgh) (£788,000); factory and workshop units at Thornaby, Cleveland, for English Estates (£476,000); and the design and construction of an office shell and warehouse at Dudley, for Roof Units Group (£245,000). Three contracts have been awarded to Tarmac Cubitts—part of Tarmac Construction. They are for a sports hall and ancillary rooms at Chorley, Lancashire, for Chorley Borough Council (£599,000); heating installation improvements at Cardiff Law Courts, for the Property Services Agency (£372,00); and a new roof at Kings College, London (£214,000).

Wates busy in London

Contracts awarded to WATES SPECIAL WORKS total nearly £8m and include work in both the private and public sectors. The London Borough of Wandsworth has placed the improvements of 319 homes in inter-war flats at Wilberforce Estate, SW11, with Wates at a cost of £2.5m. The 18 month scheme commences this month. At the Arlington House Hostel, NW1 the London Brough of Camden in association with the UK Housing Trust has awarded a £1.3m contract for refurbishment of the fifth floor, lower ground floor and the mews wing. The contract has commenced for completion in November. Improvements to 289 inter-war houses at Whitton Estate has been awarded by the Borough of Ipswich. Costing £760,000, the scheme will commence in May and the 50 week contract is being undertaken with tenants in occupation. Curfin Investments has awarded a contract for erection of workshops and alterations to form pre-delivery inspection and part store at Currie Motors, Isleworth. The 14-week contret has commenced, and will cost £530,000. Refurbishment of offices at 51 Grosvenor Street has been awarded by Grosvenor (Mayfair) Estate. The 58-week project will cost £1.1m. At 51 to 52 Hans Place, SW1, refurbishment to provide flats and maisonettes have been placed by Co-Partnership Property Developments at a cost of £700,000. Work has started on the 11-month contract. Work has also commenced on refurbishment and restoration of 22-26 Rupert Street, W1, costing about £620,000 for the Electricity Supply Pension Fund. The scheme will run for 38 weeks. Offices at Achilles House, Western Avenue, are to be refurbished under a fixed fee prime cost form of contract placed by the British Printing and Communications Corporation. The £400,000 project will run for 15 weeks.

*

Jaeger has entrusted a £3m refurbishment of its Regent Street store to management contractor, BOVIS CONSTRUCTION. The 18 month programme is scheduled to start in May. The project is to combine the existing Jaeger shop with the old Hamley's store to create a retail headquarters.

*

ALFRED McALPINE CONSTRUCTION has won a contract worth almost £3.4m for resurfacing work at Glasgow Airport. The contract, awarded by the British Airports Authority, involves planning and removing the surface of the 2,700-metre long existing runway and resurfacing with Marshall asphalt and friction course materials, together with other ancillary works.

APPOINTMENTS

Senior posts at Lombard

LOMBARD NORTH CENTRAL, finance house subsidiary of National Westminster Bank Group, has made three senior management appointments. Mr Peter Laule, regional sales director of Lombard's north-west and Scottish region, becomes regional director, City and north Thames region, succeeding Mr Bill Burgess, who retired at the end of March. Mr Laule also joins Lombard's management board. Mr Geoff Bramley, director and general manager of Lombard's associate company, Austin Rover Finance and director of Jaguar Cars Finance, has been appointed regional sales director of Lombard's north-west and Scottish region. Mr Nick Jefferies, joint managing director of Wholesale Vehicle Finance, has been appointed director and general manager of Austin Rover finance.

*

The INTERNATIONAL PETROLEUM Exchange has appointed Mr David Kilpatrick, a director of Muirpace, to the board.

*

Mr Alan Smith has been appointed comptroller of BRITISH AEROSPACE. He was formerly dynamics group financial director.

*

WESTGATE INSURANCE COMPANY, Cardiff, UK subsidiary of the Groupe AXA, has appointed Mr P. A. Rees to the board. He remains company secretary.

*

Mr Peter Slaymaker, managing director of Allders Department Stores, and Mr Edwin Symes, managing director of Allders International have joined the board of Allders (successor to U.D.S. Group).

*

Mr A. J. Ward, Miss E. J. Knox, Mr A. R. B. Booker, Mr P. C. E. Cornell, Mr T. J. Herrington and Mr J. Bassindale have been taken into partnership at COWARD CHANCE. Mr P. A. J. Boyce has retired.

*

CARLESS PETROLEUM, a subsidiary of Carless, Capel and Leonard, has appointed Mr Terry M. Bishop to the Board. He was general manager.

*

Mr John Pike joins the partnership of STEPHENSON HARWOOD on May 1.

*

THORNTON BAKER has appointed four new partners; Mr Glen Beveridge (Sheffield); Mrs Roberta Frankham (Bristol); Mr Anthony Lamb (Crawley); and Mr John Vince (Birmingham).

*

EFM UNIT TRUST MANAGERS has appointed Mr James S. Hay and Mr R. Graham Roxburgh to the board.

*

Mr John Glyn, Mr Stuart Dyer and Sir Anthony Touche have retired as directors of FIRST NATIONAL FINANCE CORPORATION. Mr Glyn is succeeded as chairman by Mr Richard Langdon previously deputy chairman. Mr Josef Kamiel, Mr David Cowham and Mr Stanley Clayman have been appointed directors.

PEAT MARWICK has appointed five new partners in the Midlands region. They are: Mr John Wheatley (Birmingham), Mr Terence Gateley (Birmingham), Mr Michael Wareing (Birmingham), Mr T. Iver Ferguson (Derby) and Mr Ian Chisholm (Nottingham). Peat Marwick, Mitchell & Co. Management Consultants has appointed Mr Robert Simm as a partner. He was a senior manager.

*

Mr Paul Fox, managing director of Yorkshire Television, and Sir Brian Bailey, chairman of Television South West, have been appointed by the Independent Broadcasting Authority to the board of CHANNEL 4. Their appointments are for five years from July 1, when they will replace Mr David McCall, chief executive of Anglia Television, and Mr Brian Tesler, chairman and managing director of London Weekend Television, who will have completed their terms as members. The IBA has also extended the appointment of Mr Edmund Dell, chairman of Channel 4, until June 30 1987 and the appointment of Dr Glyn Tegai Hughes until January 21 1987.

*

Mr Earl Von Vann-Dagenhardt has been appointed managing director of OIL DATA BASE. He has also been appointed to the boards of International Ventures (as deputy chief executive), MC Eurosoft, and B.V. (Holland), T.C.D., John Bruce Associates, and Flair Advertising.

*

BALTIC has appointed financial director, Mr Harry Hyman to the board as an executive director.

SARASOTO TECHNOLOGY, Winchester has appointed Mr Eammon McArdle as finance director and company secretary. He was finance director and company secretary of Unitech's subsidiary Brookes and Gatehouse. He succeeds Mr Tony Kerrigan who is leaving to develop his personal business interests.

*

EVODE GROUP has appointed Mr Derek Lawton as director of sales for Evode Plastics. He was managing director of the sales agency which was absorbed by Evode Plastics and prior to that was managing director of Polyfleet, which Evode acquired some two years ago. The paints and plastics division has also apointed Mr Harry J. Griffiths to the board of D. Worrall and Sons as manufacturing director and he remains manufacturing director at Postans.

*

Mr Geoff Stott, managing director of EMAP Maclaren Communications Group, has been appointed managing director of

*

MACLAREN PUBLISHERS, a subsidiary of East Midland Allied Press. He succeeds Mr John Copeman who remains chairman of Maclaren Publishers. Mr Roy Leaver, deputy managing director of Maclaren Publishers, has also been appointed deputy managing director of EMAP Maclaren Communications Group. From May 13, a new company called EMAP Maclaren Exhibitions will be formed. Mr Mike Wells, as executive director, is to head the new company and the chairman will be Mr John Copeman; other senior executives will be Mr David Smith and Mr David Copeman.

WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagements during the week. The board meetings are mainly for the purpose of considering dividends and official indications are not always available whether dividends concerned are interims or finals. The sub-divisions shown below are based mainly on last year's timetable.

YESTERDAY
DIVIDEND & INTEREST PAYMENTS—
Addison Communications 0.8p
Banks (Sidney C.) 3.25p
Barr (A.G.) 5.75p
Capital Television Facilities 0.7p
Continuous Stationery 0.45p
Gibbs Mew 1.1p
Hawtin 0.375p
Kershaw (A) & Sons 11p
Do B Prf 1.96875p
Nationwide Bldg Soc 11pc 14/10/85 5.5pc
Page (Michael) Partnership 2.8p
Peel Hldg 2.5p
Rank Organisation 7.2p
Victor Products 1.8p
TODAY
COMPANY MEETINGS—
General Funds Inv Tst, Regis House, King William St, EC, 12.15
Investors Capital Trust, 9 Charlotte Sq, Edinburgh, 12.30
BOARD MEETINGS—
Finals
Ex-Lands
Greenbank Inds.
Helene of London
London and Continental Advertising
President Entertainments
DIVIDEND & INTEREST PAYMENTS—
Avana Group 4.5p
Banca Serfin SNC 1988 $62
Barclays 13.5p
Berisford (S & W) 7p
British Electric Traction 2.75p
Burmatex 3p
Camford Engineering 1.05p
Central Am Bk for Econ Integn 19994 $481.02
Christie-Tyler 1p
Comm Bank of Wales 5.5p
County Properties B 1.4p
Crescent Japan Inv Tst 0.8p
Crouch (Derek) 3.762p
DPCE Hldgs 0.8p
Davy Corp 1.1p
Dev Bk of the Philippines 1990 $310
Edenberry Shoes 2p
Electronic Machine 0.7p
English Association 1p
English China Clays 5p
Eurotherm Intl 2.75p
Fleming American Inv Tst 3.25p
Foreign & Col Inv Tst 1.675p
Grand Metropolitan 5.5p
Imry Property Hldgs 1.7p
International Inv Tst Co of Jersey 6p
Jackson (J. & H.B.) 1p
DIVIDEND & INTEREST PAYMENTS—
Jones, Stroud 2.5p
Kent (John) 0.425p
Korea Exchange Bank 1988 $62
Leumi Intl Inv NV B 1987 $22.19
Macarthys Pharmaceuticals 2.2p
Manchester Ship Canal 5.5p
Do 5pc Prf 3.5p
Marine Midland Fin NV 1994 $22.03
Marshalls Halifax 2p
Meadminster 1.95p
Microgen Hldgs 7p
New Tokyo Inv Tst 1.5p
New Zealand (Govt of) 1987 $600.36
Padang Senang Hldgs 1.4p
Press Tools 0.9p
Ransom (William) & Sons 1.65p
Royal Bank of Canada 1987 $297.01
SGB Group 4p
Samuelson Group 2.5p
Securiguard Group 2.35p
Sparbankernas Bank 1990 $303.33
Tomkins (F. H.) 0.775p
United Scientific 3.5p
Warnford Invs 6.5p
Wholesale Fittings 1.7p
Zetters Group 1p
TOMORROW
COMPANY MEETINGS—
West Hampshire Water Co, Knapp Mill, Mill Road, Christchurch, Dorset, 2.30
Wilkes (James), 113 Chancery Lane, WC, 12.00
BOARD MEETINGS—
Finals
Aurora
Ayrshire Metal Prods.
Braime (T. F. and J. H.)
British Dredging
Erith
Expamet Intnl.
Farmer (S. W.)
Fitch and Co. Design Consultants
Jerome (S.)
M.Y. Dart
Molins
Pearl Assurance
Stanley (A. G.)
Steel Burrill Jones
Interims
Ferry Pickering
Fisher (Albert)
Smiths Inds.
Young (H.)
DIVIDEND & INTEREST PAYMENTS—
ASEA AB "A" SK7
Do "B" SK7
Abercom Group 8cts
Barrow Hepburn 0.7p
Bestwood 6p
Bevan (D.F.) 0.25p
Countryside Properties 3.22p
Cray Electronics 0.736p
Dale Electric Intl 1.5p
F.I.I. 2.72p
GAMerica $1.85
GAM Pacific 56cts
GAM Worldwide $1.22
Heywood Williams 3.8p
Independent Newspapers 8p
Liberty Life Assn of Africa 146cts
M&G Far Eastern & Gen Fund 0.665p
M.L. Hldgs 3p
Meldrum Inv Tst 3p
Mid Wynd Inter Inv Tst 0.9p
Nabisco Brands 67cts
Cur Price 1.5p
Roberts [illegible]
Do Sub-Shs (Nat Prov Bk) F12.72
Do Sub-Shs (Other Names) F12.72
Rua Estates 12p
St Andrew Tst 5.2p
DIVIDEND & INTEREST PAYMENTS—
Saville Gordon (J.) 1.4p
Scottish Eastern Inv Tst 8¼pc Red Deb 1985/90 3.125pc
Stakis 2p
Telefusion 0.65p
Tribune Inv Tst 1.7p
Trust of Property Shares 0.4p
THURSDAY APRIL 11
COMPANY MEETINGS—
Anglo-American Securities, 23 Great Winchester St, EC, 2.45
Cowie (T.), Millfield House, Hylton Road, Sunderland, 12.10
Federated Housing, Painters Hall, Trinity Lane, EC, 12.00
Law Debenture, states House, 66 Gresham Street, EC, 10.30
Mariner Petroleum, Charing Cross Hotel, Strand, WC, 10.00
BOARD MEETINGS—
Finals
Baird (Wm.)
Burmah Oil
Connells Estate Agents
Fothergill and Harvey
Hewden-Stuart Plant
Hunting Pet. Services
Lec Refrigeration
Neill (James)
Riley Leisure
Ruberoid
Interims
Dowding and Mills
London and Prov. Shop Centres
Mastonair Intnl.
New Central Witwatersrand Areas
DIVIDEND & INTEREST PAYMENTS—
Aaronson Bros 3p
B.B.L. Intl NV 1999 $295.43
Conversion 10pc 2002 5pc
Cowie (T.) 1.75p
Credit Finance Bank 2.3p
Elbief 0.484p
Electricity Supply Board 13pc 1990/92 6.5pc
English & New York Tst 1.5p
General Funds Inv Tst 6.75p
Impala Platinum 35cts
Investors Capital Tst 2.45p
Islington Corp 12.65pc Red 2007 6.325pc
Norfolk Capital Group 0.175p
Osterreichische Landerbank AG 1999 $295.43
RBC Intl Capital Fund 13.5cts
Sundsvallsbanken 1985 $60.03
Treasury 10pcCnv 1986 5pc
United Real Property Tst 3p
FRIDAY, APRIL 12
COMPANY MEETINGS—
Alexanders Holdings, 185 St Vincent Street, Glasgow, 12.00
Alliance Trust, Meadow House, 64 Reform Street, Dundee, 11.30
British American & General, 20 Fenchurch Street, EC, 12.45
Bryant (Derek), 30 Threadneedle Street, EC, 12.00
Muirhead, Hyde Park Hotel, Knightsbridge, SW, 11.15
BOARD MEETINGS—
Finals
Allied Plant
Aquascutum
Breakmate
Centreway Trust
Chepstow Racecourse
Gill and Duffus
Hawker Siddeley
Jersey Electricity
Laidlaw
North British Canadian Invs.
Interims
Kwik Save Discount
UDO
DIVIDEND & INTEREST PAYMENTS—
Anglo-American Securities Corp 4.2p
Courts (Furnishers) 1.75p
Do A 1.75p
Crest Nicholson 2.5p
Griqualand Exploration & Finance 10cts
Ireland 12½pc 2008 6.25pc
Kuala Lumpur Kepong Berhad 10sen
Lydenburg Platinum 27.5cts
Metal Bulletin 5.5p
Motorola 16cts
Mountleigh Group 2p
PLM AB "A" SK5.4
Do "B" SK5.4
P&O Steam Dfd 9p
Ricardo Consulting Engineers 0.875p
Schlumberger 30cts
Unibond 1p
Webb (Joseph) 0.1313p

BUSINESSMAN'S DIARY

UK TRADE FAIRS AND EXHIBITIONS

April 10-12
London Book Fair (01-229 1825) Barbican Centre

April 11-17
British International Antiques Fair (021-780 4171) N.E.C., Birmingham

April 15-19
International Fire and Security Exhibition and Conference; and International Safety and Health Exhibition (01-387 5050) Olympia

April 22-26
Building Industry Convention Exhibition (088385 2051) Met Exbn. Hall, Brighton

April 28-May 1
Incentive Marketing Exhibition (01-688 7788) Met. Exbn. Hall, Brighton

April 30
Computer Aided Production Management Exhibition (01-579 9411) Wembley Conference Centre

May 2-5
Road Haulage Association Annual Tipping Convention and Exhibition — TIPCON (0532 502368) Exhibition Centre, Harrogate

May 12-14
6th British Craft Trade Fair (0282 867153) Harrogate

May 12-15
Business to Business Exhibition (01-729 0677) Barbican Centre

May 12-15
London International Furniture Show (01-385 1200) Earls Court

May 16-27
National Home, Garden and Leisure Show — LIFESTYLE (01-222 9341) N.E.C., Birmingham

May 21-23
Heating, Ventilating and Air Conditioning Exhibition (021-705 6707) Olympia

May 21-24
Chelsea Flower Show (01-834 4333) Royal Hospital

May 30-June 8
Fine Art and Antiques Fair (01-385 1200) Olympia

OVERSEAS TRADE FAIRS

April 11-21
International Household Fair (01-437 2175) Amsterdam

April 15-21
International Spring Fair (01-886 1951) Zagreb

April 16-18
International Trade Fair for Clothing Textiles—INTERSTOFF (01-734 0543) Frankfurt

April 21-24
Packaging and Printing Exhibition—ARABPACKPRINT (01-642 7688) Dubai

April 16-20
Surface Treatment and Industrial Finishing Exhibition (01-439 3964) Paris

April 17-23
International Consumer Goods Fair (021-455 9600) Brno

April 20-25
International Television Programmes Market (01-499 2317) Cannes

April 21-23
International Fashion Trade Fair —IGEDO (01-493 3893) Dusseldorf

April 25-May 5
International Trade Fair (01-736 6003) Casablanca

May 3-11
International Public Works and Building Equipment Exhibition —EXPOMAT (01-439 3964) Paris

May 10-14
International Accessory, Machinery and Materials Fair for Furniture Production, Interior Decoration and Furnishing — INTERZUM (01-930 7251) Cologne

BUSINESS CONFERENCES

April 10
The Industrial Society: Successful communication to employees (01-839 4300) 3 Carlton House Terrace, SW1

April 11-12
The Economist: Government, universities and industry—reconciling their interests in research and development (01-839 7000) Steyning, Sussex

April 11-12
British Institute of International and Comparative Law: Whither Antarctica? The regulation of activities in the region (01-636 5802) Institute of Education, WC1

April 17-19
13th World Industrial Advertising Congress 1985 (01-499 7502) Copenhagen

April 22-23
Practising Law Institute, New York: Conference on international financial markets (U.S.: 212 765-5700) Royal Lancaster Hotel, W2

April 24
Longman Seminars: Marketing securities and investor protection — the future for self-regulation (01-242 2548) Barbican Centre, EC2

April 24-25
FT Conference: Multinationals—innovators in high technology? (01-621 1355) Munich

April 24-25
Institute for International Research: Profitable treasury management (01-434 1017) London

April 24-25
FT Conference: Communications in the UK—the challenge of choice (01-621 1355) Hotel Inter Continental, W1

April 29-30
Business Research International: Going public: making the right choice for your growing company (01-637 4383) Park Lane Hotel, W1

April 30
Longman Seminars: Competition law and technology transfer (01-242 2548) Barbican Centre

April 30
Society for Strategic and Long Range Planning: Service strategies—competitive weapons for success in the 1990's (01 235 0246) 15 Belgrave Square, SW1

April 30
Institute of Directors: Walter Goldsmith on "The Winning Streak" (01-839 1233) 116 Pall Mall, SW1

May 1
Institute of Taxation: Finance Bill 1985 (01-235 8847) Hotel Inter Continental, W1

May 10
Petroconsultants: Petroleum exploration/production trends (01-930 5939) Meridien Hotel, Houston

May 23
Seminars for Secretaries: One-day training seminar (01-935 7992) Cafe Royal, W1

May 29-31
Dataquest European Semiconductor Industry Conference—"Winds of Change" (01-353 8807) Hilton Hotel, Vienna

Anyone wishing to attend any of the above events is advised to telephone the organisers to ensure that there has been no change in the details published.

WORLD STOCK MARKETS

WALL STREET

Enthusiasm proves hard to sustain

THE ENTHUSIASTIC reception given by Wall Street to reports of an accord on Federal budget reductions by Republican senators, died down yesterday when both credit and stock markets made a sluggish return from the Easter holiday weekend, *writes Terry Byland in New York.*

Bond markets were also discouraged by the disclosure of stronger than expected employment figures for last month.

Markets were closed yesterday in Australia, Belgium, Britain, France, Hong Kong, Italy, the Netherlands, South Africa, Sweden, Switzerland and West Germany.

In Madrid, share prices rose marginaly in very light trading.

The stock market opened firmer with, once again, special situations providing much of the impetus.

However, prices backed off around lunchtime and by 2pm, the Dow Jones industrial average was down 1.54 at 1,257.51.

Credit market analysts warned that the Republican plan to cut the budget deficit by $52bn in fiscal 1986 faces a difficult and prolonged battle in Congress. Meanwhile, money supply is likely to continue growing, prompting the Federal Reserve to tighten credit.

Federal funds remained at the high end of the recent range, but traders admitted that cash flows had been distorted by the prolonged weekend break. Nervousness within the market was fuelled by the Chapter 11 bankruptcy filing of Bevill, Bresler and Schulman Asset Management, an affiliate of Bevill, Bresler and Schulman, a registered broker-dealer in U.S. Government securities.

Bond prices tried to steady from early weakness, helped by a further round of $1.5bn in customer repurchase arrangements by the Fed when the Federal funds stood at 8½ per cent. However, prices returned to the downward trend at mid-session.

In the stock markets, defence issues suffered further losses as Wall Street assessed the allegations of overcharging at General Dynamics. At $66¼, the stock shed $2⅛ on the Pentagon's decision to withhold payments until an alleged $124m in overcharges are recovered.

Profit-takers cut IBM down by $1⅜ to $125⅝, ahead of results expected this week. NCR, $⅜ better at $27⅝, was alone among the mainframe manufacturers in holding its ground. Burroughs weakened $1 to $58⅝.

Allied, the chemical group, jumped $2⅜ to $39 after selling half of its Union Texas Petroleum subsidiary to an investor buy-out group. Allied will receive $1.4bn cash from the sale, as well as $300m in Union preferred stock.

Heavy turnover in Unocal preceded confirmation that Mesa Partners II, the investment vehicle of Mr T. Boone Pickens, is offering $54 a share. At $49⅝, Unocal was $1 up as investors awaited the next move.

National Can edged up $⅛ to $41⅜ after Triangle Industries had sweetened its offer by $1 to $42 a share – apparently blotting out any final move from Mr Victor Posner.

The star of the media sector was Cox Communications, which rocketed by $15 to $77¼ after the family interests had offered $75 a share for the 59.8 per cent of the equity not already held. Wall Street scented the chances of a better offer, or a rival bid.

CBS, the TV news network which has attracted takeover speculation after the withdrawal of plans for increased stockholdings by the politically-conservative group led by Senator Jesse Helms, fell $3¼ to $107¾ after disclosing lower earnings in the first quarter.

In the credit markets, investors were unsettled by a renewed rise in Federal funds rate, which touched 8⅝ per cent, despite the intervention by the Fed. Treasury bills shaded down by several basis points ahead of the regular weekly auction of new paper by the Treasury.

Dealers stressed that there was no sign of any "flight to quality" following the problems of Bevill, Bresler. However, this further example of the strains in repos trading, hard on the heels of the collapse of ESM Government Securities and its effects on the Ohio thrift industry, is unsettling for the bond markets.

Treasury bonds showed mixed changes, with the longer end shading lower. The trading desks of the banks were lightly staffed as Wall Street returned to work after the Easter break, and prices will have to wait for today's market for a fuller testing.

CANADA

STOCK prices were marginally higher as the session progressed in Toronto, but the pace of trading was slow with many investors extending the long holiday weekend.

United Tire and Rubber traded 70 cents higher at C$2 following its announcement that it will take a 20 per cent stake in a Chinese tyre plant.

Montreal traded marginally easier overall with advances among industrials and banks offset by a decline in utility issues.

TOKYO

Speculators underpin advance

A LACK of fresh incentives left many Tokyo investors on the sidelines yesterday in the wake of the long holiday weekend in the U.S. and Europe, *writes Shigeo Nishiwaki of Jiji Press.*

The market derived some benefit, however, from speculative purchases and sales of shipping stocks and non-ferrous metals issues.

The Nikkei-Dow market average gained 65.98 to 12,635.96 with volume remaining high at 464m shares, up from last Friday's 453m. Gains outnumbered losses by 437 to 276 with 151 issues unchanged.

Many investors sought medium and low-priced, incentive-backed issues on expectations of being able to make a fast profit, but they were uneasy about the Nikkei-Dow's unprecedented highs of recent days and were awaiting the Government's announcement today of new external economic measures, designed to defuse trade friction.

Among the medium and low-priced stocks Kawasaki Kisen was the star performer, heading the most active list with 55.19m shares changing hands, or nearly 12 per cent of total market turnover. The stock added Y25 to Y205.

Other shipping and shipbuilding issues rose in sympathy. Sumitomo Heavy Industries firmed Y10 to Y246 and Iino Kaiun Y25 to Y535.

Nippon Seiko, ranking second most active with 22.78m shares, added Y6 to Y225 on increased demand for ceramic-moulding equipment.

The bond market firmed in extremely thin trading as other major markets were closed for the Easter holiday. The yen weakened against the dollar, but financial institutions serving the agricultural and forestry sectors bought about Y20bn of government bonds, with about nine years to maturity, to buoy the market.

The yield on the benchmark 7.3 per cent government bond, due in December 1993, slipped to 6.710 per cent from last Saturday's 6.720 per cent.

SINGAPORE

SOME PROFIT-TAKING and a lack of incentives to buy left Singapore prices broadly lower in quiet trading, with market turnover declining to 8.6m shares from last Thursday's 13m.

Among actively traded issues Supreme Corp added 3 cents to S$1.88, while Pan Electric shed 10 cents to S$2.85. DBS was unchanged at S$8.25.

Central American Bank for Economic Integration (CABEI)

U.S. $20,000,000

Floating Rate Serial Notes due 1994

For the six months
9th April, 1985 to 9th October, 1985

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest has been fixed at 10¼ per cent. per annum, and that the interest payable on the relevant interest payment date, 9th October, 1985 against Coupon No. 13 will be U.S. $370.58.

The Industrial Bank of Japan, Limited
Agent Bank

BankAmerica Corporation

(Incorporated in the State of Delaware)

U.S. $400,000,000
Floating Rate Subordinated Capital Notes Due 1997

Holders of Notes of the above issue are hereby notified that for the next Interest Sub-period from 9th April, 1985 to 9th May, 1985 the following will apply:

1. Interest Payment Date: 7th June, 1985
2. Rate of Interest for Sub-period: 9¼% per annum
3. Interest Amount payable: for Sub-period: US$ 385.42 per US$ 50,000 nominal
4. Accumulated Interest Amount payable: US$ 840.89 per US$ 50,000 nominal
5. Next Interest Sub-period will be from 9th May, 1985 to 7th June, 1985.

Agent Bank
Bank of America International Limited

FIAT FINANCE CORPORATION B.V.

U.S. $100,000,000

GUARANTEED FLOATING RATE NOTES DUE 1994

In accordance with the provisions of the Notes, notice is hereby given that the Rate of Interest for the six month period 9th April 1985 to 9th October 1985 has been fixed at 9⅞ per cent per annum. Coupon No. 3 will therefore be payable at U.S.$501.98 on 9th October 1985.

Manufacturers Hanover Limited
Agent Bank

AECI LIMITED

(Incorporated in the Republic of South Africa)

NOTICE TO PREFERENCE SHAREHOLDERS
DIVIDEND NO. 94

Notice is hereby given that on 7 March 1985, the Directors of AECI Limited declared a dividend at the rate of 5.5 per cent per annum for the six months ending 15 June 1985 payable on that date to holders of preference shares registered in the books of the Company at the close of business on 26 April 1985.

The dividend is declared in United Kingdom currency and cheques in payment will be posted from the offices of the transfer secretaries in South Africa and the United Kingdom on 14 June 1985.

Dividends payable from Johannesburg will be paid in South African currency at the rate of exchange ruling on 20 May 1985.

Any change of address or dividend instruction involving a change in the office of payment, if intended to apply to this dividend, must be received on or before 26 April 1985 and members must, where necessary, have obtained the approval of the South African Exchange Control authorities and, if applicable, the approval of any other Exchange Control Authorities having jurisdiction in respect of such changes. Changes of address or dividend instructions to apply to this dividend which do not involve a change in the office of payment must be received not later than 3 June 1985.

In terms of the Republic of South Africa Income Tax Act 1962 (as amended) dividends payable to persons not ordinarily resident nor carrying on business in the Republic or to companies not registered nor carrying on business in the Republic are subject to deduction in respect of non-resident shareholders tax at the rate of 13.7025 per cent.

With regard to cheques despatched from the United Kingdom office, United Kingdom income tax, at the basic rate less, where applicable, the appropriate double tax relief, will be deducted from the dividends paid except in cases where the holder's address and the address to which the dividend is sent are both outside the United Kingdom and in cases (if any) where the company has received from the Inspector of Foreign Dividends in Great Britain a certificate exempting the dividend from United Kingdom income tax.

The transfer books and registrars of members in Johannesburg and the United Kingdom will be closed from 27 April 1985 to 10 May 1985 both days inclusive.

Carlton Centre
Johannesburg
4th April 1985

By order of the Board
J. M. Doods
Secretary

Transfer Secretaries:
Consolidated Share Registrars Limited
40 Commissioner Street, Johannesburg, and
Hill Samuel Registrars Limited
6 Greencoat Place, London SW1P 1PL, England

Prices at 3pm, April 8

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
23 1/2	16 1/8	AAR	.48	2.6	14	13	18 3/4	18 3/4	18 3/4	+ 1/8
19 3/4	9 3/8	AGS			8	71	11 1/2	11 1/8	11 1/8	- 3/8
18 1/8	10	AMCA				3	10 1/2	10 1/2	10 1/2	+ 1/8
19 1/2	13 3/8	AMF	.50	2.7	41	557	19	18 1/4	18 3/8	- 3/4
43 1/4	24 1/4	AMR			9	1321	41	40 1/2	40 3/4	- 7/8
20 1/2	18 5/8	AMR	pf2.18	11		14	20 3/8	20 3/8	20 3/8	
14 3/4	8 1/2	APL			40	4	9 1/8	9 1/8	9 1/8	
67 1/4	44 3/8	ASA	2	3.8		387	53 1/2	52 7/8	53 1/8	
27	16	AVX	.32	1.9	10	53	17 1/4	17 1/8	17 1/8	
54	36 3/4	AbtLab	1.40	2.7	16	1306	53	52	52 3/4	+ 5/8
25 7/8	16 3/8	AccoWd	s.44	2.1	17	84	21 3/8	21 1/8	21 1/4	- 1/4
22	12 1/2	AcmeC	.40	2.5		7	16	15 7/8	16	+ 1/8
17 3/8	15	AdaEx	2.11e	13.		62	16 3/8	16 1/4	16 1/4	
20	11 7/8	AdmMl	.32	1.9	7	4	17 3/8	17 1/4	17 1/4	- 1/8
19 1/2	8 5/8	AdvSys			18	43	11 1/8	10 3/4	11	- 1/2
41 1/2	25 1/8	AMD			13	398	31 5/8	30 3/4	31	- 1/4
12 3/4	6 7/8	Advest	.12	1.3		38	9 1/8	9	9 1/8	- 1/8
14 3/8	8 3/4	Aerflex			12	2	12 3/8	12 3/8	12 3/8	+ 1/8
42 5/8	27 1/4	AetnLf	2.64	6.5	39	276	40 5/8	40 3/8	40 1/2	- 1/8
34	15 3/4	Ahmns	1.20	3.6	20	152	34	33 3/4	33 3/4	+ 1/4
4 7/8	2 1/2	Aileen			20	44	2 3/4	2 5/8	2 5/8	
51	38 5/8	AirPrd	1.20	2.5	10	278	47 1/4	47	47 1/8	+ 1/4
24 3/8	13	AirbFrt	.60	2.9	11	27	20 7/8	20 1/2	20 3/4	+ 1/4
2	1	AlMoa	s		23	94	1 3/4	1 5/8	1 5/8	
27 1/8	21	AlaP	pf2.94e	12		2	25 1/2	25 1/2	25 1/2	- 3/8
32	26 3/4	AlaP	pfA3.92	13.		18	31	30 7/8	30 7/8	+ 1/4
7 1/2	6	AlaP	dpf.87	12.		12	7 1/4	7	7 1/8	
72 1/2	61 1/2	AlaP	pf 9	13.		z300	71 3/4	70 1/2	71 3/4	+ 1/2
79 1/8	63 1/2	AlaP	pf9.44	12		z400	76	76	76	- 1/8
68	56	AlaP	pf8.28	13.		z200	65 1/2	65 1/2	65 1/2	
13 3/8	11	Alagsc	s .92	7.3	11	67	13	12 5/8	12 5/8	- 3/8
21 1/4	9 1/2	AlskAir	.14	.7	9	26	19 5/8	19 3/8	19 3/8	- 1/4
16 3/4	10 1/2	Alberto	s .38	2.4	20	7	15 3/4	15 3/4	15 3/4	+ 1/4
31 3/4	22 1/2	Albtsns	.76	2.5	13	73	30 3/4	30 3/8	30 3/8	- 3/8
32 1/2	23 1/2	Alcan	1.20	4.7	10	3025	26	25 5/8	25 3/4	- 1/8
36 1/8	27 1/8	AlcoStd	1.20	3.7	11	45	33 1/8	32 1/2	32 5/8	- 3/8
32	17	AlexAlx	1	3.4		800	29 1/2	29	29 1/2	- 1/8
26 1/2	20 3/8	Alexdr			19	103	23 3/4	23	23	
83 1/2	65 1/4	AllgCp	2.06t	2.7	30	6	77 5/8	77 1/2	77 1/2	- 1/4
28 3/4	19 3/4	AlgInt	1.40	5.2		85	27 1/8	27	27	- 1/8

Continued on Page 33

AMERICAN STOCK EXCHANGE COMPOSITE PRICES

Prices at 3pm, April 8

Continued on Page 34

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Continued from Page 32

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
64½	46¼	Wrgly	1.80a	2.9	11	14	62⅛	61⅝	61⅝	−¾
6⅛	3⅛	Wurltz				103	4⅛	4⅛	4⅛	
18	10¾	WyleLb	.32	2.7	10	73	12	11⅞	12	+⅜
23⅝	17	Wynns	.60	3.1	7	4	19⅝	19⅝	19⅝	+¼
		X Y Z								
46¼	33¼	Xerox	3	7.1	17	619	43	42⅝	42⅝	−⅜
51⅜	45¼	Xerox	pf5.45	11		282	51	50¾	51	+⅜
30	24	ZaleCp	1.32	4.8	8	17	27¾	27½	27¾	−⅛
24⅞	13⅜	Zapata	.84	6.0	16	154	14⅜	14	14	−¼
58	30	Zayre	.40b	.7	14	69	55⅛	54⅝	54⅞	−⅛
31¼	18⅛	ZenithE			6	904	21⅞	21⅝	21⅝	−⅛
21⅞	14⅜	Zero	.6		16	79	17½	17¼	17½	−⅛
31⅜	21⅛	Zurnin	1.32	4.9	10	63	27	26⅞	26⅞	−⅛

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a-dividend also extra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. cld-called d-new yearly low. e-dividend declared or paid in preceding 12 months. g-dividend in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E-price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. s-stock split. Dividends begins with date of split. sls-sales. t-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. vi-in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd-distributed. wi-when issued. ww-with warrants. x-ex-dividend or ex-rights. xdis-ex-distribution. xw-without warrants. y-ex-dividend and sales in full. yld-yield. z-sales in full.

WORLD STOCK MARKETS

AUSTRIA

Apr. 4	Price Sch%	+ or −
Creditanstalt	260	+3
Goesse	424	−3
Interunfall	616	+25
Laenderbank	256	+2
Perlmooser	389	−6
Steyr-Daimler	170	+5
Veitscher Mag	397	...

BELGIUM/LUXEMBOURG

Apr. 3	Price Frs.	+ or −
B.B.L.	1,930	...
Banq. Int. A. Lux	6,150	...
Bekaert B.	5,930	...
Ciment CBR	2,545	−5
Cockerill	262	−1
Delhaize	7,600	+240
EBES	3,140	+30
Electrobel	8,600	−10
Fabrique Nat	2,070	+20
GB Inno BM	3,125	+25
GBL (Brux)	2,005	−5
Gevaert	4,035	+35
Hoboken	6,870	+70
Intercom	2,300	+30
Kredietbank	8,310	+10
Pan Hldgs.	11,100	−800
Petrofina	6,850	+20
Royale Belge	11,700	+200
Soc. Gen. Banq	3,400	+5
Soc. Gen. Belge	2,030	+10
Sofina	7,510	...
Solvay	4,380	−10
Stanwick Intl.	1,650	+10
Tractionel	4,125	...
UCB	5,340	+40
Wagon Lits	2,770	+130

DENMARK

Apr. 4	Price Knr %	+ or −
Andelsbanken	286	+10
Baltic Skand	525	+5
CopHandelsbank	300	+16
D. Sukkerfab	555	...
Danske Bank	291	+15
De Danske Luft.	1,200	...
East Asiatic	184	+7
Forenede Brygg.	885	...
Forenede Damp.	119	...
GNT Hldg	439	+6
I.S.S.B.	475	+40
Jyske Bank	625	+50
Novo Ind	1,600	+10
Privatbanken	265	+15
Provinsbanken	355	+14
Smidth (F)	245	+5
Sophus Berend	1,055	+30
Superfos	480	+1

FRANCE

Apr. 4	Price Frs.	+ or −
Emprunt 4½% 1975	1701	...
Emprunt 7% 1975	8450	+30
Accor	285	−5
Air Liquid	649	−3
BIC	520	−14
Bongrain	1,892	−13
Bouygues	679	−6
BSN Gervais	2,401	+1
CIT-Alcatel	1,388	+5
Carrefour	2,140	...
Club Mediter'n	1,170	−30
Cie Bancaire	640	+10
Cofimeg	280.1	...
Damart	2,310	+50
Darty	1,330	+20
Dumex S.A.	625	+22
Eaux (Cie Gen)	630	−7
Elf-Aquitane	245.8	−4.2
Essilor	2,920	−10
Gen. Occidentale	705	−9
Imetal	107.2	+1.2
Lafarge Coppee	496	+4
L'Oreal	2,485	−20
Legrand	2,110	+10
Maisons Phenix	230.1	−6.9
Matra S.A.	1,869	+14
Michelin B	978	+8
Midi (Cie)	2,215	−9
Moet-Hennessy	1,890	−13
Moulinex	111.0	+1.2
Nord Est.	87.0	−1
Penod Ricard	696	−9
Perrier	500	−2
Petroles Fra.	265.1	−0.9
Peugeot S.A.	314.0	+11.5
Printempt Aus	232.5	+2.5
Radiotech	294	+8
Redote	1,345	+15
Rousul Uclaf	1,728	+18
Sefimeg	335	...
SkisRossgnol	1,880	...
Telemech Elect.	2,600	−5
Thomson CSF	568	+3
Valeo	223	−2

GERMANY

Apr. 4	Price Dm.	+ or −
AEG-Telef	110.2	+1.1
Allianz Vers	1055xr	+3
BASF	205	+1
Bayer	212.1	+0.9
Bayer-Hypo	336	+1.5
Bayer-Verein	529	+1
BHF-Bank	266.5	...
BMW	371	−1
Brown Boveri	214.1	−0.6
Commerzbank	165	...
Cont'l. Gummi	139.5	+0.4
Daimler-Benz	660	−2.5
Degussa	360	...
D'sche Babcock	166	+2.5
Deutsche Bank	438.7	−1.1
Dresdner Bank	189.9xr	−0.1
GHH	157.5	−0.5
Hochtief	475	−1
Hoechst	208	+1.8
Hoesch Werke	112.7	+0.2
Holzmann (P)	395	−4
Horten	170	+1
Hussel	294	−0.5
Karstadt	211	−1
Kaufhof	229.8	+2.8
KHD	249.6xr	+1.3
Kloeckner	72.1	−0.4
Linde	415	+2.5
Lufthansa	194.5	+0.5
MAN	154	−0.1
Mannesmann	165	−0.4
Mercedes Hld.	581	+0.5
Metallgesel	250	−3
Munech Rueck	1142	−8
Nixdorf	549.8	−1.2
Porsche	1225xd	+7
Preussag	272.5	+2.5
Rhein West Elect	165	...
Rosenthal	240	−3
Schering	450	−0.7
Siemens	538xd	+1
Thyssen	100.2	−1.2
Varta	184	+2
Veba	178.1	−0.2
V.E.W.	126.5	+0.5
Verein-West	316	...
Volkswagen	202	−0.2

ITALY

Apr. 5	Price Lira	+ or −
Banco Com'le	16,600	+200
Bastogi-IRBS	217.0	...
B.I-Invest	3,385	+25
Centrale	3,450	+50
Credito Varesino	4,000	+100
Fiat	2,835	+43
Finsider	51.0	...
Generali Assicur.	41,990	+880
Italcementi	80,400	...
La Rinascenti	645.2	+4.2
Montedisin	1,504	+4
Olivetti	6,180	+41
Pirelli Co	4,126	−30
Perelli Spa	2,148	+28
Snia BPD	2,699	+44
Toro Assic.	14,080	+150
do Pref	10,150	+100

NETHERLANDS

Apr. 4	Price Fls	+ or −
ACF Holding	197.8	+0.5
AEGON	184.5	−0.5
Ahold	213	+1.5
AKZO	108.8	...
ABN	398.5	...
AMEV	215	...
AMRO	73.3	−0.3
Bredero Cert	159	+6.5
Bos Kalis Westm.	18.7	−0.4
Buehrmann-Tet.	91	+1
Calland Hldgs.	34	+0.3
Dordtsche Pet'm	180.4	+0.9
Elsevier NDU	110.8	−1.7
Fokker	99	−1
Gist Broades	181.8	+0.3
Heineken	157.3	+0.5
Hoogovens	62.1	+4.9
Int Mueller	50	...
KLM	57.7	−0.8
Naarden	47.7	−0.2
Nat Ned Celt	69.4	+0.4
Ned M'd Bank	168.9	−0.1
Nedlloyd	180.5	−3
Oce Grinten	313	−1
Ommeren (Van)	30.2	...
Pakhoed	66.7	−0.3
Philips	57.4	−0.3
Robeco	72.1	+0.3
Rodamco	138	−0.2
Rolinco	67.2	+0.3
Rorento	44.2	+0.1
Royal Dutch	202.5	+1
Unilever	341	−0.7
VMF Stork	148.5	−3.5
VNU	207.5	+1.2
West Utr Bank	103.5	−0.6

NOTES—Prices on this page are as quoetd on the individuil exchanges and are last traded prices. ‡ Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

NORWAY

Apr. 3	Price Kroner	+ or −
Bergens Bank	142	−0.5
Borregaard	368	+6
Christiania Bank	141.5	−1.5
DenNorske Creditd	146	+1
Elkem	140	...
Kvaerner	176	+5
Norsk Data	395	−2.5
Norsk Hydro	108	+2.5
Storebrand	235.5	−2

SPAIN

Apr. 8	Price Pts%	+ or −
Bco Bilbao	337	...
Bco Central	318	+2
Bco Exterior	205	...
Bco Hispano	158	...
Bco Popular	372	−5
Bco Santander	350	−1
Dragados	173	−2
Hidrola	85.2	+0.5
Iberduero	97.7	+2.2
Petroleos	152.7	+2.7
Telefonica	129	+1

SWEDEN

Apr. 4	Price Kronor	+ or −
AGA	389	...
Alfa-Laval	194	−1
ASEA (Free)	305	+5
Astra (Free)	375	...
Atlas Copco	107	+1
Cardo (Free)	350	−1
Cellulosa	118	...
Electrolux B	314	+2
Ericsson	291	+1
Esselte	345	...
Mo och Domsjo	235	−5
Pharmacia	211	+6
Saab Scania Free	445	+15
Sandvik	385	...
Skandia	524	+2
Skan Enskilda	48	...
SKF	206	...
St Kopparbergs	133	+2
Sven Handlesbn.	161	+1
Swelvoah Match	217	...
Volvo B (Free)	280	+4

SWITZERLAND

Apr. 4	Price Frs.	+ or −
Alusuisse	865	...
Bank Leu	3,590	+20
Brown Boveri	1,645	+25
Ciba Geigy	2,825	−15
do. (Part Certs)	2,290	...
Credit Suisse	2,420	+15
Elektrowatt	2,865	...
Fisher (Geo.)	735	+5
Hoff-Roche PtCts	87,500	+625
Hoff-Roche 1/10	8,750	+25
Jacobs Suchard	6,375	...
Jelmoli	1,980	+10
Landis & Gyr	1,670	−15
Nestle	6,330	−10
Oer-Buehrle	1,485	−10
Pirelli	300	+4
Sandoz (Br)	7,800	+100
Sandoz (PtCts)	1,310	+15
Schindler (PtCts)	785	...
Sika	1,100	−30
Surveillance	4,170	+20
Swissair	1,080	−10
Swiss Bank	366	−7
Swiss Reinsce	10,050	−50
Swiss Volksbk	1,405	...
Union Bank	3,665	+10
Winterthur	3,790	...
Zurich Ins.	21,200	+200

AUSTRALIA

Apr. 4	Price Aust $	+ or −
ANZ Group	4.65	+0.07
Alliance Oil Dev	1.07	...
Ampol Pet	1.87	...
Ashton	0.99	...
Aust. Cons. Ind.	2.12	...
Aust. Guarantee	2.5	−0.02
Aust. Nat. Inds	2.92	−0.08
Aust. Paper	2.66	+0.05
Bell Group	6.76	−0.04
Bell Res.	6.7	+0.1
Bond Corp Hldgs	1.45	...
Boral	3.2	−0.05
Bougainville	2.42	+0.02
Brambles Inds	3.88	+0.05
Bridge Oil	2.35	+0.02
B.H. Prop	6.14	+0.1
CRA	6.18	+0.02
CSR	2.96	−0.01
CastlemaineTys.	4.82	...
Coles (G.J.)	3.7	−0.05
Comalco "A"	2.87	+0.07
Consolidated Pet	0.48	...
Costain Aust.	1.60	...
Dunlop Olympic	2.25	+0.05
Elders IXL	3.2	+0.01
Energ Res.	1.42	−0.01

AUSTRALIA (continued)

Apr. 4	Price Aust. $	+ or −
Gen. Prop. Trust	2.15	−0.01
Hardie (James)	3.10	...
Hartogen Energy	2.4	...
Herald W'yTimes	4.2	+0.05
ICI Aust.	1.93	+0.01
Jimberlana F.P.	0.3	−0.03
Kia Ora Gold	0.16	−0.01
Lend Lease	6.26	+0.06
MIM	3.42	+0.02
Mayne Nickless	4.23	...
Myer Emporium	1.82	+0.02
Nat. Aust. Bank	3.45	...
News	6.96xc	+0.06
Nicholas Kiwi	1.98	...
North Bkn Hill	2.55	+0.05
Oakbridge	0.8	...
Pancont'l	1.6	+0.06
Pioneer Conc.	1.63	−0.02
Poseidon	3.9	+0.05
Queensland Coal	1.54	+0.08
Reckitt & Coln.	3.35	...
Repco	1.21	−0.05
Santos	6.24	+0.04
Smith (Howard)	4.25	+0.05
Thos. Natwide	1.86	+0.04
Tooth	5.8	...
Vamgas	4.15	...
Western Mining	4.12	+0.04
Westpac Bank	3.48	−0.01
Woodside Petrol	1.10	+0.04
Woolworths	3.12	...
Wormald Intl.	3.56	−0.08

HONG KONG

Apr. 4	Price H.K.$	+ or −
Bank East Asia	22.7	+0.5
Cheung Kong	15.1	+0.3
China Light	15.4	+0.1
Evergo	1.16	−0.02
Hang Seng Bank	49	+0.25
HK Electric	7.75	+0.05
HK Kowloon Wh.	6.3	+0.25
HK Land	5.25	+0.1
HK Shanghai BK.	8.9	−0.05
HK Telephone	72	...
Hutchinson Wpa	23.2	+0.9
Jardine Math.	10.2	...
New World Dev.	6.5	...
Orient O'seas	2.22	...
Oseas Trust Bk	2.85	−0.05
SHK Props	9.7	...
Shell Elect.	1.5	−0.02
Swire Pac A	24.0	...
TV-B	6.2	−0.15
Wheel'k Mard A	7.3	...
Wheel'k M'time	1.10	...
World Int. Hldns.	2.05	+0.11

JAPAN

Apr. 8	Price Yen	+ or −
Ajisomoto	1,070	−10
Alps Electric	1,860	...
Amada	1,050	+20
Asahi Chem	870	...
Asahi Glass	884	−6
Bridgestone	530	−1
Canon	1,280	+10
Casio Comp	1,690	+40
Chugai Pharm	1,140	−30
Citizen	549	+8
Daiei	611	...
Dai Nippon Ptg	1,010	...
Daiwa House	547	+2
Ebara	460	−22
Eisai	1,720	−30
Fanuc	9180xr	+200
Fuji Bank	1,560	...
Fuji Film	1,700	+20
Fujisawa	1,100	+10
Fujitsu	1,120	+40
Green Cross	3,480	−90
Hasegawa	375	+9
Heiwa Real Est.	873	−26
Hitachi	823	+10
Hitachi Credit	1,070	...
Honda	1,340	+40
House Food	707	+6
Hoya	2,200	+20
Itoh (C)	370	−4
Ito. Yokado	2,620	−10
Iwatsu	1,000	+28
JACCS	322	+2
JAL	6,100	−220
Jusco	725	...
Kajima	288	+6
Kao Soap	819	+24
Kashiyama	606	+4
Kirin	615	−5
Kokuyo	908	+8
Komatsu	444	−2
Konishiroku	671	+5
Kubota	353	+5
Kumagai	573	−2
Kyoto Ceramic	5,530	−20
Maeda Const.	490	...
Muakino Milling	1,250	−40
Myakita	1,000	...
Marubeni	313	−8
Marudai	562	+10
Marui	1,020	...
MEI	1,510	+20
M'ta Elec Works	766	+8
M'bishi Bank	1,550	+10
M'bishi	527	−2
M'bishi Elect	403	+3
M'bshi Estate	628	+17

JAPAN (continued)

Apr. 8	Price Yen	+ or −
MHI	265	−1
Mitsui	352	−3
Mitsui Estate	657xc	−3
Mitsukoshi	494	−1
NGK Insulators	915xc	+9
Nihon Cement	273	+9
Nippon Denso	1,340	...
Nippon Elect	1,070	+10
Nippon Express	365	...
Nippon Gakki	1,950	+20
Nippon Kokan	138	+2
Nippon Oil	862xc	+82
Nippon Seiko	663	−1
Nippon Shimpan	568	+4
Nippon Steel	152	+2
Nippon Suisan	370	+10
NTV	10240xc	−10
Nippon Yusen	252xc	+3
Nissan Motor	658	...
Nisshin Flour	530	−5
Nisshin Steel	172	+5
Nomura	1,180	+40
Olympus	1,170	+20
Orient Leasing	3,000	+10
Pioneer	2,640	+70
Renown	625	...
Ricoh	900	+10
Sankyo	1,380	+40
Sanyo Elect.	465	+2
Sapporo	467	−4
Sekisui Prefab	579	+6
Seven-Eleven	9,250	+100
Sharp	999	+9
Shimadzu	715xc	+6
Shionogi	715xc	−10
Shiseido	1,220	+30
Sony	4,380	+70
Stanley	928	+23
S'tomo Bank	1,730	...
S'tomo Elect	895	+8
S'tomo Marine	632	+2
S'tomo Metal	151	+1
Taihei Dengyo	476	+5
Taisei Corp.	215	+6
Taisho Pharm	1,360	−50
Takeda	882	+2
TDK	5,580	+80
Teijin	469	+1
Tejkoku	655	+18
Tokyo Marine	654	+8
TBS	774	+7
Tokyo Elect Pwr	1,650	−20
Tokyo Gas	178	+1
Tokyo Sanyo	700	+3
Tokyo Style	740	+20
Tokyu Corp	367	−1
Toppan Print	856	−3
Toray	492	−1
Toshiba Elect.	407	+6
TOTO	651	+6
Toyo Seikan	890	+5
Toyota Motor	1,260	+10
Victor	2,070	+50
Wacoal	713	+10
Yamaha	765	+5
Yamanouchi	3,890	−90
Yamazaki	625	...
Yasuda Fire	475	+6
Yokogawa Bdge.	429	+7

SINGAPORE

Apr. 8	Price $	+ or −
Boustead Hldgs.	1.74	−0.02
Cold Storage	2.75	+0.01
DBS	6.25	...
Genting	5.7	...
Haw Par. Bros.	2.31	−0.01
Hong Leong Fin	2.95	...
Inchcape Bhd.	2.45	...
Keppel Shipyard	1.75	...
Malay Banking	6.00	−0.05
Malay Utd. Ind.	2.43	−0.03
Multi Purpose	0.88	−0.02
OCBC	9.15	...
OUB	5.9	...
Public Bank	1.54	−0.03
Sime Darby	1.92	−0.02
Singapore Press	6.4	+0.05
Straits Trdg.	4.26	−0.06
Tat Lee Bk	2.78	...
UOB	4.46	...

SOUTH AFRICA

Apr. 4	Price Rand	+ or −
Abercom	1.5	+0.05
AE&CI	7.4	...
Allied Tech	54.5	...
Anglo Am Coal	40	+0.5
Anglo Am Corp	25.65	−0.15
Anglo Am Gold	174	...
Barclays Bank	14.25	...
Barlow Rand	10.5	+0.1
Buffels	82.25	−0.25
CNA Gallo	2.45	+0.05
Currie Finance	3.55	...
De Beers	10.2	+0.5
Driefontein	64	+0.5
FS Geduld	56	...
Gold Fields SA	32.75	...
Highveld Steel	3.85	...
Nedbank	9.95	+0.05
OK Bazaars	13.5	...
Protea Hldgs.	1.5	+0.1
Rembrandt	32.5	...
Rust Plat	18.0	−0.05
Safren	14.25	...
Sage Hldgs	7.0	...
SA Brews	6.7	...
Smith (AG)	21.20	...
Tongaat Hulet	6.25	+0.1
Unisec	4.75	−0.05

Indices

NEW YORK-DOW JONES

	April 8	April 4	April 3	April 2	April 1	March 29	1984-85 High	1984-85 Low	Since Compilation High	Since Compilation Low
Industrials	1,258.52*	1,259.05	1,258.86	1,265.88	1,272.75	1,266.78	1299.36 (1/3/85)	1088.57 (24/7)	1299.36 (1/3/85)	41.22 (2/7/32)
Transport	589.24*	590.79	591.56	596.29	602.52	603.08	635.30 (1/3/85)	444.83 (25/7)	635.30 (1/3/85)	12.32 (8/7/32)
Utilities	154.34*	153.83	154.13	154.54	154.13	153.81	154.54 (2/4/85)	122.25 (15/6)	163.72 (20/4/69)	10.5 (28/4/42)
Trading vol		86m	95m	101m	89m	101m	—	—	—	—

	Mar 29	Mar 22	Mar 15	Year Ago (Approx)
Ind Div Yield %	4.82	4.82	4.89	4.74

N.Y.S.E ALL COMMON

April 8	April 4	April 3	April 2	1984-85 High	1984-85 Low
103.50*	103.71	103.77	104.53	106.08 (13/2/85)	85.13 (24/7)

RISES AND FALLS

	April 4	April 3	April 2
Issues traded	1,978	1,992	1,995
Rises	668	521	729
Falls	796	980	815
Unchanged	514	491	451

STANDARD AND POORS

	April 8	April 4	April 3	April 2	April 1	March 29	1984-85 High	1984-85 Low	Since Compilation High	Since Compilation Low
Industrials	198.33*	199.63	199.78	201.23	202.25	201.67	205.15 (1/3/85)	167.74 (24/7)	205.15 (1/3/85)	3.62 (30/6/32)
Composite	178.79*	179.03	179.11	180.53	181.27	180.66	183.35 (13/2/85)	147.82 (24/7)	183.35 (13/2/85)	4.40 (1/6/32)

	March 27	March 20	March 13	Year Ago (Approx)
Ind div yield %	3.88	3.88	3.98	3.97
Ind. P/E Ratio	11.14	11.11	11.06	12.25
Long Gov Bond Yield	11.77	11.84	11.83	12.37

TORONTO

	April 8	April 4	April 3	April 2	1984-85 High	1984-85 Low
Metals & Minls	124.8*	2,055.3	2,047.2	2,048.8	2524.4 (12/1/84)	1641.2 (25/7)
Composite	2,885.2*	2,894.3	2,888.3	2,614.9	2647.0 (5/3/85)	2079.7 (24/7)
MONTREAL Portfolio	128.85*	128.81	128.54	129.45	132.77 (5/3/85)	100.38 (24/6)

* Indicates pre-close figure

	Apr. 4	April 3	Apr. 2	Apr. 1	1984-85 High	1984-85 Low
AUSTRALIA All ord. (1/1/80)	842.8	837.5	828.8	828.8	842.00 (4/4/85)	546.5 (18/6)
Metals & Minls. (1/1/80)	544.4	536.7	524.8	524.5	567.4 (5/1/84)	395.6 (7/1/85)
AUSTRIA Credit Aktien (2/1/62)	74.72	74.54	74.25	74.15	74.86 (22/2/85)	55.20 (15/6,
BELGIUM Brussels SE (1/1/80)	2275.17	2272.76	2261.49	2248.70	—	—
DENMARK Copenhagen SE (3/1/83)	186.06	(u)	183.05	(u)	225.21 (20/1/84)	158.44 (8/1/85)
FRANCE CAC General (31/12/82)	215.70	215.7	213.8	211.4	215.7 (3/4/85)	158.8 (5/1/84)
Ind Tendance (28/12/84)	118.00	117.8	116.8	115.7	118.00 (4/4/85)	100.0 (28/12/8)
GERMANY FAZ Aktien (31/12/58)	412.99	412.4	413.1	408.72	423.55 (21/3/85)	317.17 (25/7)
Commerzbank (1/12/53)	1194.70	1181.5	1195.0	1183.2	1229.3 (21/3/85)	917.7 (25/7)
HONG KONG Hang Seng Bank (31/7/64)	1471.25	1450.35	1450.36	1399.15	1471.35 (4/4/85)	746.02 (13/7)
ITALY Banca Comm Ital. (1972)	265.11	264.41	264.66	259.54	288.71 (20/2/85)	192.66 (2/1/84)
JAPAN** Nikkei-Dow (16/5/49)	12627.1	12685.5	12629.9	12677.1	12685.5 (3/4/85)	9703.35 (23/7)
Tokyo SE New (4/1/68)	992.45	996.91	997.01	999.50	1006.96 (22/3/85)	730.48 (4/1/84)
NETHERLANDS ANP-CBS General (1970)	205.6	205.5	204.4	202.8	209.7 (13/3/85)	146.8 (25/7)
ANP-CBS Indust (1970)	164.1	164.5	165.7	165.0	168.6 (22/3/85)	116.7 (16/6)
NORWAY Oslo SE (4/1/83)	315.36	313.36	311.63	308.11	345.6 (6/2/85)	221.97 (4/1/84)
SINGAPORE Straits Times (1966)	820.64	814.18	811.66	818.24	1071.8 (8/2/84)	764.4 (16/1/85)
SOUTH AFRICA Gold (1958)	—	1067.9	1054.1	1039.6	1098.8 (19/11)	758.1 (24/1/84)
Industrial (1958)	—	901.0	897.0	897.6	1105.5 (26/6/84)	846.8 (5/3/85)
SPAIN Madrid SE (28/12/84)	111.75	111.73	111.99	111.97	117.41 (4/2/85)	100.00 (28/12/8
SWEDEN Jacobson & P (11/58)	1480.81	1384.58	1686.36	1384.80	1594.5 (8/2/84)	1302.99 (22/11)
SWITZERLAND Swiss BankCpn (31/12/58)	418.4	417.8	417.6	414.3	430.9 (19/3/85)	354.5 (25/7)
WORLD Capital Intl. (1/1/70)	—	201.80	202.1	205.0	205.3 (29/3/85)	165.2 (14/12)

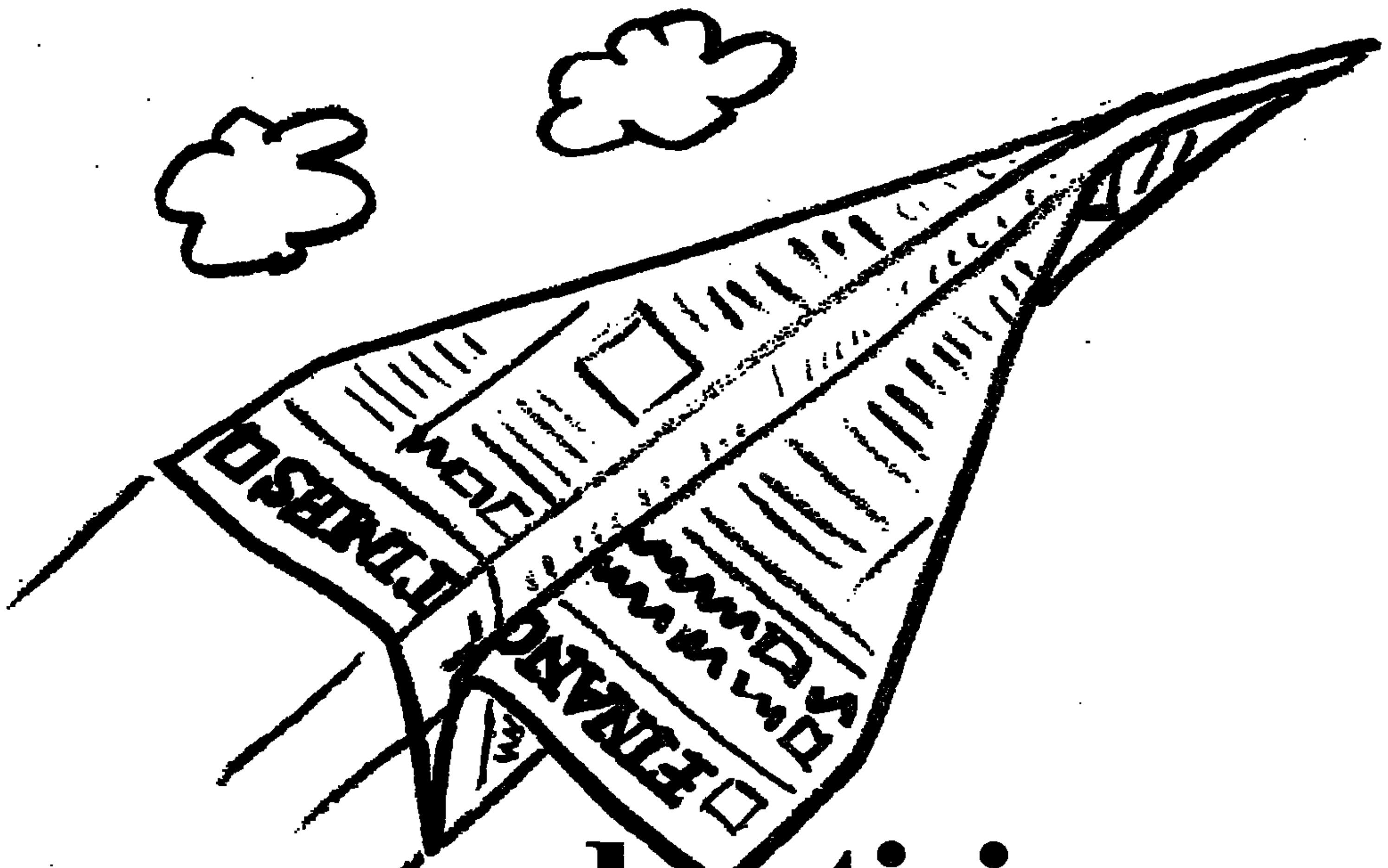
** Saturday March 30: Japan Nikkei-Dow 12,590.2. TSE 999.08.

Base value of all indices are 100 except Australia. All Ordinary and Metals—500. NYSE All Common—50: Standard and Poors—10: and Toronto Composite and Metals—1,000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities. 40 Financials and 20 Transport. c Closed. u Unavailable.

AMERICAN STOCK EXCHANGE PRICES

Continued from Page 33

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]	13	TabPrd	.20	1.1	12	2	18¼	18¼	18¼	−⅛
[illegible]	[illegible]	TandBr				26	7¼	7⅛	7⅛	
[illegible]	[illegible]	Tasty	.40	2.8	13	62	u14⅞	14½	14½	−¼
[illegible]	[illegible]	Team				10	4⅛	4⅛	4⅛	−⅛
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]



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AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

Abbey Unit Tst. Mngrs. (a)
1-3 St Paul's Churchyard, EC4P 4DX. 01-236 1833

High Income				
Gilts & Fixed Int.	110.1	116.5		10.30
High Inc Equity	71.0	74.6	-0.2	6.22
Worldwide Bond	148.6	158.1	+1.4	6.14
Capital Growth				
American Growth	130.7	139.0	-0.7	1.57
Asian Pacific	48.0	51.1	..	—
Assets & Engy. Tt	75.2	80.4		3.61
Capital Reserve	53.3	53.6	-0.9	0.78
Commodity & Engy.	74.1	79.3	+1.1	2.27
General	102.2	109.6	-0.1	2.97
Japan	102.7	110.4	-0.5	1.98
UK Growth Acc Units	103.1	110.9		1.97
U.S. Emerging Co's	55.0	58.8	-0.6	0.44
Equitas Prog.	155.6	166.4	-0.8	3.11

Aitken Hume
30, City Road, EC1Y 2AY. 01-628 6626

American Tech Fd.	124.8	133.5	-1.5	0.10
Pacific Fd.	129.4	138.5	+1.7	0.20
Secured Income Fd	144.0	154.1	..	5.50
Special Sits	165.3	176.8	—	1.56
Energy Fd.	37.6	40.2		0.60
American Majors	58.2	62.3	.	1.56
Small Co's Fd	30.3	32.4		1.97
Jap. Technology	65.0	69.6	+0.5	0.10
International Income	48.3	51.3	+0.3	7.00

Allied Unit Trusts Limited (a)(g)
Allied Hambro House, Hutton, Brentwood, Essex Brentwood. (0277) 211459 & 229123

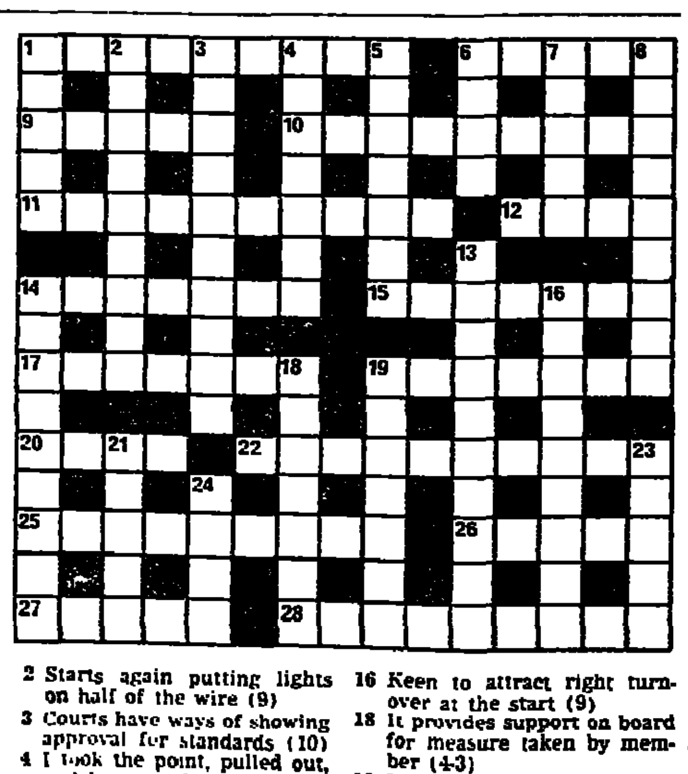
Balanced Trusts and Income Trusts				
First Trust	161.2	171.7	-0.4	4.19
Growth & Inc Trust	101.5	108.1	-0.1	4.19
Capital Trust	186.1	198.2	-0.1	3.00
Balanced Trust	275.7	293.6	+0.6	4.02
Accum Trust	412.8	439.6	-0.4	3.30
American Income	29.0	30.9		4.85
High Income Trust	177.9	189.5	-0.2	5.69
Equity Income Trust	98.3	104.7	-0.3	5.85
High Yield Trust	116.9	124.5		6.45
Govt Secs Trust	27.2	28.4	-1.3	10.14
International Trusts				
International Trst	62.3	66.3		1.49
Japan Trust	61.9	66.9	+0.4	0.01
Pacific Trust	120.1	127.9	+1.4	0.95
AmerSecSitsTst	58.8	62.6	-0.4	1.31
Secs.of Amer Tst.	176.1	188.0	-1.0	1.42
Specialist Trusts				
Allied Asst Val.	162.8	173.4	+0.1	3.64
Gilt Growth Tst.	30.8	32.3	-0.6	3.51
Smaller Co Tst.	97.9	104.3	-0.2	2.82
2nd Smlr Co's Trust	127.6	135.9	-0.6	2.91
Recovery Trust	56.4	60.1	+0.3	3.11

Britannia Gp. of Unit Trusts Ltd. (a)(c)(g)
Salisbury House, 31, Finsbury Circus, London EC2 01-588 2777 Dealing 01-638 0478/0479

UK Specialist Funds				
Growth Gilt Trust	51.1	51.9		0.24
Recovery	77.0	82.3	-0.1	2.83
Smaller Cos	110.7	118.1	+0.1	1.29
Spec. Mkt. Sits	74.2	78.1	+0.2	1.35
UK Growth (Domestic)	31.6	33.7		3.12
High Income Funds				
Extra Inc	53.1	55.6	-0.2	7.98
Gilt	26.6	26.9		9.82
Inc & Growth	152.1	162.2	-0.3	4.69
Nat. High Inc	142.2	151.7	-0.3	6.15
Pref. Shares	17.1	18.2	-0.1	11.35

INSURANCES

F.T. CROSSWORD PUZZLE No. 5,688



ACROSS

1 It's a group policy and not confined to an individual subscriber (5,4)
6 If there's nothing coming in, it's difficult to save (5)
9 Approval is given for each round in the game (5)
10 On downhill stretches the infernal woman used to turn down the lights (3-6)
11 Arrives wearing a short cloak, redesigned to improve its features (10)
12 How legislation works? (4)
14 The element which has been charged on account is a large figure (7)
15 Gets weaving in the race to find the carrier (7)
17 It provides access to route across the island (7)
19 International group acquires brand leader in case the merger is unsuccessful (7)
20 Outside broadcast takes exactly what is needed from memorial service (4)
22 Soldier at the front is not charged for being independent (10)
25 Presumably it's tried in a higher court because it's a capital thing? (5,4)
26 Stay behind in the bar after time (5)
27 By the way, make an effort to get an appointment (5)
28 Jewish scholars see a storm brewing (9)

DOWN

1 One learns it is essential to control the amount of light (5)
2 Starts again putting lights on half of the wire (9)
3 Courts have ways of showing approval for standards (10)
4 I took the point, pulled out, and became aloof (7)
5 Measure the papers with a ruler (7)
6 Adjusted when cut is made (4)
7 Greek Upper Chamber (5)
8 Bursting out is held by him to be indecent (9)
13 Soundlessly, attendant goes down in lift (4,6)
14 Make something extra out of the issue (2-7)
16 Keen to attract right turnover at the start (9)
18 It provides support on board for measure taken by member (4-3)
19 It is not practicable to employ a smaller number (7)
21 One gets married to carry on being intimate (5)
23 Bolts food (5)
24 The pattern to wear? (4)

The solution to last Saturday's prize puzzle will be published with names of winners next Saturday

INSURANCE, OVERSEAS & MONEY FUNDS

OFFSHORE AND OVERSEAS

World Wide Growth Management
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	$11.87	—	-0.11	—

Inv. Adv.: M & G Inv Mngt. Ltd., London.

Wren Commodity Management Ltd.
10, St George's St, Douglas IoM. 0624 25015

Wren Com Fund	12.8	13.9		0.00
Chance Fund	58.2	60.6		0.00
Precious Metal Fund	67.3	70.1		0.00
Vanguard Cmdy Fd.	19.3	19.8		0.00
Financial Futures Fd.	32.1	33.5		—

Yamaichi Dynamic Mngt Co SA
10A Boulevard Royal, Luxembourg

Dynamic Gwth Fd		$8.61	-0.01	—

Money Market Trust Funds

	Gross	Net	Gr Equiv CAR	Int Cr
The Money Market Trust 63 Qn Victoria St, EC4N 4ST. 01-236 0952				
Call Fnd	13.14	9.83	14.46	6 mth
7-day Fnd	14.24	10.64	15.71	6 mth
Oppenheimer Money Management Ltd 66 Cannon St, EC4N 6AE 01-236 1425				
Call Fnd	13.30	9.94	14.70	6-Mth
7-day Fund	13.91	10.40	15.40	6-Mth
Dollar	7.44	—	—	6-Mth
Money Mngt. Acct.	13.00	9.72	14.61	6-Mth

Money Market Bank Accounts

	Gross	Net	Gr Equiv CAR	Int Cr
Aitken Hume 30 City Road, EC1Y 2AY. 01-638 6070				
Treasury Acc	13.50	10.09	14.20	Qtr
Mth. Int. Chq.	13.25	9.90	14.09	Mth
Bank of Scotland 38 Threadneedle St, EC2P 2EH. 01-628 8060				
Cheque Acc.	12.80	9.56	14.26	Mth
Barclays Prime Account PO Box 125, Northampton 0604 252891				
High Int Cheque	13.00	9.50	14.28	Qtr
Britannia Grp of Investment Companies 29 Finsbury Circus, EC2M 5QL. 01-558 2777				
Cater Allen	13.00	9.72	14.52	Mth
Charterhouse Japhet plc 1 Paternoster Row, EC4M 7DH. 01-248 3999				
Sterling	13.50	10.09	14.37	Mth
U.S. Dollar	8.00	5.98	8.30	Mth
German Marks	5.0	3.74	5.12	Mth
Swiss Francs	2.00	1.50	2.02	Mth
Japanese Yen	5.00	3.74	5.12	Mth
Co-operative Bank 78-80 Cornhill EC3 01-626 6543 Ex 464				
Under £1,000	11.0	8.22	12.11	Qtr
Over £1,000	13.00	9.72	14.40	Qtr
Dartington & Co Ltd Dartington, Totnes, Devon TQ9 6JE. 0803 862271				
Money Mkt Acc.	13.50	10.09	15.23	Qtr
Henderson/Bank of Scotland 38 Threadneedle St EC2P 2EH 01-628 8060				
Money Mkt. Cheque Acc.	12.80	9.56	13.66	Mth
Lombard North Central PLC 17 Bruton St, W1A 3DH 01-409 3434				
14-Day Notice	13.25	13.68	Rate 14-day	
M & G/Kleinwort Benson 91-99 New London Rd, Chelmsford. 0245 51651				
Capital H I C.A.	13.00	9.72	14.53	Daily
Midland Bank plc PO Box 2, Sheffield. 0742 20999 Ext 8738				
High Int Chq	13.04	9.75	14.67	Qtr
Provincial Trust (formerly Choplartons) 30 Ashley Rd, Altrincham, Cheshire, WA1 2DW 061-928 9011				
Cheque Acc	13.50	10.09	15.41	Mth
Save & Prosper/Robert Fleming 28 Western Rd, Romford RM1 3LB. 0708 66966				
High Int. Bk Acc.	13.00	9.72	14.80	Daily
Premier Acc.	13.00	9.72	14.83	Daily
Tyndall & Co 29-33 Princess Victoria St, Bristol BS8 4BX. 0272 732241				
Demand Acc	12.96	9.69	14.57	Qtr
Money Acc.	13.37	10.00	15.06	Qtr
J. Henry Schroder Wagg & Co Ltd Enterprise House, Portsmouth 0705 827733				
Special Acc.	12.85	9.61	14.63	Mth

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INDUSTRIALS—Continued

Dividends Paid		Stock	Price	Last xd	Div Net	C'vr	Y'ld Gr's	P/E
Jan.	July	Marshall's Universal	67	12.11	2.0	♦	4.4	♦
June	Dec	Do. 7½pcCnRedPf £1	81	10.12	7½%	—	13.2	—
Nov	May	Martin-Black	226	5.79	—	—	—	—
—		Mathesons 7¾%	£85	30.6	07¾%	2.3	9.3	—
Jan.	June	Metal Box £1	387	26.11	†15.0	3.2	5.5	6.2
Nov.	June	Metal Closures	152	17.9	6.7	♦	6.5	♦
—		Metal Sciences 2½p	11	—	—	—	—	—
July	Jan	Midland Marts	85	26.11	4.0	1.8	6.7	10.8
Jan	May	Mitchell Cotts	64½xd	25.3	14.0	1.5	8.2	9.9
Jan.	July	Morgan Crucible	204xr	12.11	8.0	♦	5.7	17.3
	May	Morris (W) F.A. 20p	30	—	g0.5	♦	2.4	♦
Jan.	Aug.	Moss (Robt.) 10p	96	26.11	♦12.5	2.3	3.7	13.9
	July	Myson Grp 10p	73	—	1.25	♦	2.4	♦
May	Nov	NMW Computers	318	15.10	6.0	3.0	2.8	17.3
Mar.	Sept.	Nash Inds.	94	14.1	2.5	1.5	10.5	7.8
Oct.	April	Ned & Spencer 10p	32	3.81	—	—	—	9.6
Jan	July	Newman Industries	34	12.79	—	—	—	♦
Jan July		Do 10pc Cn.Cnv Pf.	35	12.11	10%	—	4.1	—
April	Oct	Nolton	55	26.11	g1.7	4.5	2.9	9.2
Jan.	Aug.	Norcros	150	24.12	8.6	2.4	8.2	7.9
Oct.	April	Nu-Swift 5p	55	29.10	†2.4	3.2	6.2	7.2
Feb.	Aug.	Oakwood Grp.	98	28.1	d4.5	1.4	7.1	13.2
Jan.	June	Office & Elect	165	29.10	7.5	4.2	6.5	7.6
—		Oldacre 20p	85	28.1	u4.0	2.6	6.7	7.5
May.	Nov	Oriflame Intl SA	875xd	25.3	46.81	♦	7.6	♦
—		Osborne & Little 5p	213	—	bg2.0	3.2	1.3	33.8
Jan.	June	Ozalstone 12½p	17	12.11	[illegible]	[illegible]	[illegible]	[illegible]

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CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar resists further fall

BY COLIN MILLHAM

Considerable resilience was shown by the dollar last week, in a very thin market, where trading tended to be erratic and volatile ahead of Easter. At the start of the week the U.S. currency looked set to fall below DM 3.00, but dealers suggested there was strong technical resistance at DM 3.0250 and this level was never tested. If there was a general pattern it tended to be for Europe to lift the dollar after falls in the Far East.

There were very few factors to influence trading, in a rather sparse week for economic data. U.S. factory orders fell in February and construction spending in the same month was half the revised January figure, but these had little or no impact when announced on Monday. The only other major statistic was U.S. unemployment on Good Friday, apart from the regular weekly money supply figure on Thursday.

When trading finished in London on Thursday it was generally expected unemployment would be down, indicating a recovery in the economy and that M1 money supply would show substantial growth, indicating a possible firming of interest rates. Federal funds were also strong at 8½ per cent or above for most of last week, and all these factors helped underpin the dollar.

Possible problems involving South American debt and the general condition of the U.S. banking system were pushed to the back of the mind. The dollar quickly pushed past a resistance level of DM 3.0950 and up to another of DM 3.16 by the end of the week.

This will be another quiet week for U.S. statistics, with only retail sales due on Thursday, plus some more detailed money supply figures on the same day. Last week ended amid growing expectations of a period of rising money supply growth, and a possible tightening of U.S. monetary policy. If this view continues to be supported in the market the dollar's path of slow recovery may continue. Conditions are very erratic and volatile however, and if events should suggest a sudden weakening of rates the dollar's fall could be dramatic.

STERLING EXCHANGE RATE INDEX

	April 4	Previous
8.30 am	76.7	77.3
9.00 am	77.0	77.5
10.00 am	76.8	77.4
11.00 am	76.8	77.4
Noon	76.8	77.3
1.00 pm	76.9	77.4
2.00 pm	76.8	77.2
3.00 pm	76.6	77.2
4.00 pm	76.3	77.1

£ in New York

	April 3	prev. close
£ Spot	$1.2080-2.100	$1.2300-2320
1 month	0.46-0.45pm	0.50-0.49pm
3 months	1.23-1.20pm	1.20-1.18pm
12 months	1.78-1.70pm	1.72-1.65pm

Forward premiums and discounts apply to the U.S. dollar.

FORWARD RATES AGAINST STERLING

	Spot	1-month	3-month	6-month	12-month
Dollar	1.1965	1.1920	1.1843	1.1784	1.1773
D-Mark	3.7900	3.7665	3.7232	3.6706	3.5956
French Franc	11.5550	11.5290	11.4899	11.4803	11.5196
Swiss Franc	3.2076	3.1861	3.1475	3.1000	3.0171
Japanese Yen	304.0	302.17	298.79	294.83	288.22

BANK OF ENGLAND TREASURY BILL TENDER

	April 4	March 29		April 4	March 29
Bills on offer	£100m	£100m	Top Accepted rate of discount	12.3638%	12.3739%
Total of applications	£420m	£416m	Average rate of discount	12.3401%	12.3571%
Total allocated	£100m	£100m	Average yield	12.75%	12.75%
Minimum accepted bid	£96.92	£96.915	Amount on offer at next tender	£100m	£100m
Allotment at minimum level	60%	27%			

POUND SPOT—FORWARD AGAINST POUND

April 4	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.1900-1.2100	1.1960-1.1970	0.47-0.44c pm	4.56	1.25-1.20pm	4.09
Canada	1.6435-1.6640	1.6470-1.6480	0.45-0.36c pm	2.95	1.17-1.03pm	2.67
Nethlnd.	4.26-4.30¼	4.27½-4.28½	2⅛-2⅛c pm	6.31	6¾-6⅝pm	6.13
Belgium	75.82-76.64	76.20-76.30	23-18 pm	3.23	61-52pm	2.96
Denmark	13.52-13.69	13.58-13.59	3½-2⅞ore pm	2.98	10-9pm	2.80
Ireland	1.2099-1.2188	1.2120-1.2136	0.02p pm-0.11d	−0.45	0.11p-0.14d	−0.06
W. Ger.	3.77½-3.81¼	3.78½-3.79½	2½-2¼pf pm	7.52	6½-6⅛pm	6.93
Portugal	207.76-213.86	207.76-211.89	155-525c dis	19.45	505-1485dis	18.98
Spain	210.86-212.51	210.86-211.51	15c pm-5 dis	0.28	5-40dis	−0.43
Italy	2,400½-2,430¼	2,417-2,418	1-4lire dis	−1.24	7-9dis	−1.32
Norway	10.86¾-11.00½	10.91-10.92	¾ore pm-par	0.41	1⅞-⅞pm	0.46
France	11.48¾-11.63½	11.55-11.56	2⅞-2¼ pm	2.66	6¾-5⅝pm	2.14
Sweden	10.89¾-11.00	10.93½-10.94½	¾ore pm-⅞ dis	−0.07	½-1⅛dis	−0.30
Japan	303-307	303½-304½	2-1⅞y pm	7.40	5¾-5pm	6.74
Austria	26.56-26.77	26.56-26.65	14¾-13⅛gro pm	6.37	42-38⅞pm	6.06
Switz.	3.1945-3.2290	3.20¼-3.21¼	2¼-2c pm	7.95	6⅛-5⅞pm	7.17

Belgian rate is for convertible francs. Financial franc 76.35-76.45. Six-month forward dollar 1.84-1.79p pm, 12-month 2.00-1.85p pm.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

April 4	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.1900-1.2100	1.1960-1.1970	0.47-0.44c pm	4.56	1.25-1.20pm	4.09
Ireland†	0.9820-0.9932	0.9890-0.9900	0.45-0.38c pm	5.01	1.10-0.95pm	4.13
Canada	1.3750-1.3787	1.3777-1.3787	0.17-0.20c dis	−1.61	0.44-0.49dis	−1.35
Nethlnd.	3.5600-3.5890	3.5895-3.5805	0.54-0.51c pm	1.77	1.88-1.84pm	2.09
Belgium	63.27-63.80	63.70-63.80	7.5-8.5c dis	−1.51	18-20dis	−1.19
Denmark	11.295-11.367	11.362-11.367	2¾-2⅞ore dis	−2.65	2¾-3dis	−1.01
W. Ger.	3.1420-3.1800	3.1735-3.1740	0.78-0.73pf pm	2.88	2.38-2.33pm	2.98
Portugal	175-176½	176½-176½	200-500c dis	−23.89	600-1400d	−22.79
Spain	175.38-176.90	175.57-175.67	0.60-0.70c dis	−6.83	1.80-2.00dis	−4.33
Italy	2,004-2,023	2,022-2,023	10-10½lire dis	−6.11	28-29dis	−5.66
Norway	9.12¾-9.13¼	9.12¾-9.13¼	3.00-3.50ore dis	−4.30	8.00-8.50dis	−3.64
France	9.6000-9.7000	9.6875-9.6925	1.50-1.60c dis	−1.93	4.40-4.70dis	−1.89
Sweden	9.08¾-9.15¼	9.14¾-9.15½	3¾-3¾ore dis	−4.61	9½-10dis	−4.28
Japan	253.70-254.70	254.35-254.45	0.57-0.53y pm	2.59	1.75-1.70pm	2.71
Austria	22.090-22.227	22.217-22.227	3.60-3.00gro pm	1.78	12.0-10.0pm	1.98
Switz.	2.6590-2.6860	2.6845-2.6855	0.80-0.74c pm	3.45	2.31-2.26pm	3.41

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc n.a.

OTHER CURRENCIES

Apr. 4	£	$		£ Note Rates
Argentina Peso	424.81-425.54	352.40-353.70	Austria	26.60-26.90
Australia Dollar	1.8180-1.8260	1.5037-1.5105	Belgium	76.40-77.20
Brazil Cruzeiro	5,436.80-5,465.45	4,510-4,530	Denmark	3.78-3.82
Finland Markka	7.8756-7.9193	6.4760-6.4860	France	11.55-11.66
Greek Drachma	162.67-166.70	134.88-138.11	Germany	3.78-3.82
HongKong Dollar	9.3750-9.3850	7.8010-7.8030	Italy	2410-2450
Iran Rial	114.80*	93.75*	Japan	306-309
KuwaitDinar(KD)	0.3645-0.3655	0.30240-0.30250	Netherlands	4.27-4.31
Luxembourg Fr.	76.20-76.30	63.70-63.80	Norway	10.95-11.06
Malaysia Dollar	3.0270-3.0370	2.5185-2.5235	Portugal	204-217
New Zealand Dlr.	2.6600-2.6800	2.3075-2.3223	Spain	208½-214
Saudi Arab Riyal	4.3490-4.3560	3.6080-3.6090	Sweden	10.95-11.06
Singapore Dollar	2.6650-2.6750	2.2185-2.2235	Switzerland	3.20-3.23
Sth African Rand	2.3883-2.4008	1.9880-2.0080	United States	1.20-1.23
U.A.E. Dirham	4.4250-4.4325	3.6720-3.6730	Yugoslavia	285-325

* Selling rate.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu April 4	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.9008	44.9648	+0.14	+0.20	±1.5522
Danish Krone	8.14104	8.01756	−1.52	−1.46	±1.6419
German D-Mark	2.24184	2.23531	−0.29	−0.23	±1.1475
French Franc	6.87456	6.82249	−0.76	−0.70	±1.3669
Dutch Guilder	2.52595	2.52300	−0.12	−0.06	±1.5171
Irish Punt	0.72569	0.714684	−1.52	−1.46	±1.6703
Italian Lira	1403.49	1422.18	+1.33	+1.33	±4.0410

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

CURRENCY MOVEMENTS

Apr. 4	Bank of England Index	Morgan Guaranty Change %
Sterling	76.3	−13.3
U.S. dollar	148.9	+33.9
Canadian dollar	88.1	−6.9
Austrian schilling	111.3	+4.4
Belgian franc	88.7	−11.0
Danish Kroner	77.1	−4.9
Deutsche mark	120.8	+6.1
Swiss franc	136.7	+6.7
Guilder	111.2	+2.8
French franc	64.3	−15.9
Lira	45.1	−16.7
Yen	155.0	+11.4

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

CURRENCY RATES

April 4	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.814354	0.687815
U.S. $	8	0.982111	0.708609
Canadian $	10.66	*	0.975046
Austria Sch.	4½	21.7714	15.7028
Belgian Fr.	11	62.3616	44.9648
Danish Kr	7	n/a	8.01756
Dmark	4½	3.09954	2.23531
Guilder	5½	3.49730	2.52300
French Fr	9½	9.46264	6.82249
Lira	15½	1976.62	1422.18
Yen	5	249.406	179.987
Norway Kr.	8	n/a	6.43169
Span'h Pta.	—	n/a	124.503
Swedish K.	9	8.95194	6.46358
Swiss Fr.	4	2.52459	1.89411
Greek Dr'ch	20½	n/a	96.3708
Irish Punt	12¾	0.990531	0.714684

*C$/SDR rate for April 3: 1.35497.

EXCHANGE CROSS RATES

April 4	Pound St'rling	U.S. Dollar	Deutschem'k	J'panese Yen	FrenchFranc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.197	3.790	304.0	11.59	3.208	4.280	2418.	1.648	76.25
U.S. Dollar	0.836	1.	3.168	254.1	9.657	2.681	3.577	2020.	1.377	63.73
Deutschemark	0.264	0.316	1.	80.21	3.049	0.846	1.129	637.9	0.435	20.12
Japanese Yen 1,000	3.289	3.936	12.47	1000.	38.01	10.55	14.08	7952.	5.419	250.8
French Franc 10	0.865	1.035	3.280	263.1	10.	2.776	3.704	2092.	1.426	65.99
Swiss Franc	0.312	0.373	1.182	94.78	3.602	1.	1.334	753.7	0.514	23.77
Dutch Gilder	0.234	0.280	0.886	71.03	2.700	0.749	1.	564.8	0.385	17.82
Italian Lira 1000	0.414	0.495	1.568	125.7	4.780	1.327	1.770	1000.	0.681	31.54
Canadian Dollar	0.607	0.726	2.300	184.5	7.014	1.947	2.598	1467	1.	46.28
Belgian Franc 100	1.311	1.569	4.970	398.7	15.15	4.207	5.613	3170.	2.161	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Apr. 4	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short-term	13⅛-13⅜	8 7/16-8 9/16	10⅛-10⅜	6¾-6⅞	3¼-3½	5⅝-5¾	10⅝-10¾	13½-14⅛	10-10¼	10¼-10½	5 11/16-5 13/16	9¾-10⅜
7 day's notice	13⅛-13⅜	8¼-8½	10¼-10½	6¾-6⅞	3-3¼	5 5/16-5 7/16	10⅜-10¾	14¼-15¼	10⅛-10⅜	10¼-10½	6 1/16-6 3/16	10-10½
Month	13¼-13⅜	8⅝-8¾	10 7/16-10 9/16	6⅝-6⅞	5¼-5⅜	5 7/16-5 9/16	10⅝-10¾	14⅜-14⅞	10¼-10½	10⅜-10⅝	6 3/16-6 5/16	10¼-10¾
Three months	13 [illegible]-13 [illegible]	8.9⅛	10 [illegible]-10 [illegible]	6 [illegible]-6 [illegible]	5 [illegible]-5 [illegible]	5 [illegible]-6 [illegible]	10⅞-11	14½-15	10¼-10½	10⅜-10⅝	6 [illegible]-6⅜	10⅛-10⅜
Six months	12¾-12 [illegible]	9½-9⅝	10 [illegible]-10 [illegible]	6⅞-7	5⅝-5¾	6 [illegible]-6 [illegible]	11 [illegible]-11 [illegible]	14⅞-15¼	10⅜-10⅝	10½-10⅝	6 [illegible]-6 [illegible]	10⅛-10⅝
One year	12 [illegible]-12 [illegible]	10¼-10⅜	10⅞-11⅛	7-7⅛	5 [illegible]-5 [illegible]	6 [illegible]-6 [illegible]	11⅝-11⅞	16½-15⅞	10⅝-10⅞	10¾-11	6 [illegible]-6 [illegible]	10⅛-11

Asian $ (closing rates in Singapore): Short-term 8½-8⅝ per cent; seven days 8 9/16-8 11/16 per cent; one month 8 11/16-8 13/16 per cent; three months 9-9⅛ per cent; six months 9 7/16-9 9/16 per cent; one year 10⅛-10¼ per cent. Long-term Eurodollars: two years 11⅛-11¼ per cent; three years 11½-11⅝ per cent; four years 11¾-12 per cent; five years 12-12¼ per cent nominal. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

MONEY MARKETS

Caution on London interest rates

As sterling showed no sign of any further sharp improvement last week, the London money market settled down to a quiet period dominated by the tightness of day-to-day money and firm very short-term rates. Barclays and Midland Bank were reluctant to follow National Westminster and Lloyds in cutting their base rates.

Despite doubts about how happy the Bank of England is to see base rates at 13 per cent, the authorities did endorse this level by cutting money market dealing rates the previous week, and seemed keen to bring all the clearing banks into line, through money market intervention tactics.

UK clearing banks base lending rate 13-13½ per cent since April 3

Plenty of cheap money was lent to the discount houses last week, through bill repurchase agreements, for about a month, at 12½ per cent. This helped ease the pressure on day-to-day money, and reduced the rate on seven day funds by about ½ per cent. Longer term rates were steady to firm however, and in the end Barclays and Midland could not be persuaded to cut more than ½ per cent to 13½ per cent in base rates.

At Friday's close sentiment suggested that 13 per cent would soon become the general level for base rates, but that was before sterling reacted unfavourably to a proposed cut of $1.15 a barrel in British National Oil Corporation's April price for North Sea Brent crude, according to traders.

The pound is very vulnerable to oil price movements, making it difficult for the authorities to project any suitable level for interest rates in the coming months.

All that can be said is the Bank of England will proceed with caution and base rates are unlikely to fall below 13 per cent in the immediate future.

Some very large shortages enabled the Bank of England to ease the pressure on the very short end of the market through long, but attractive repurchase agreements. This has rolled part of the shortage into May, but April is likely to remain a difficult month, as earlier bill repurchase agreements expire and an agreement on gilt edged stock matures towards the end of the month.

Provisional money supply figures will be published tomorrow, and at one time it was hoped these might encourage lower base rates, but at the moment it would seem more reasonable to hope the figures underpin the present rate structure.

MONEY RATES

April 4	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	5.75-5.90	10½	2½-3⅛	6⅞-7 1/16	6.34375	18½-15⅞	12.00	14¼-14⅛
One month	5.75-5.90	10½-10⅝	5 9/16-5⅞	6⅛-6 5/16	6.28125	15-15⅜	10⅛-10⅝	14-14¼
Two months	5.85-6.00	10½-10⅝	—	—	—	—	—	13⅞-14⅛
Three months	6.05-6.15	10½-10⅝	5 9/16-5⅝	6 1/16-6⅛	6.34375	15⅜-15¼	10¼-10½	13⅞-14
Six months	6.10-6.25	10½-10⅝	—	6⅞-7	—	—	10⅝-10⅝	13⅝-13⅞
Lombard	6.0	—	—	—	—	—	—	—
Intervention	—	10½	—	6⅞	—	—	—	—

LONDON MONEY RATES — Discount Houses Deposit and Bill Rates

Apr. 4 1985	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	8-15	13¼	13¼-13⅝	12½-13¼	—	—	—	—	—
2 days notice	—	—	13¼-13½	—	—	—	—	—	—	—
7 days or 7 days notice	—	13-13½	13¼-13½	13½	13	—	—	—	—	—
One month	13 [illegible]-13 [illegible]	13¼-13 [illegible]	13⅝	13⅝	12⅞	12¾	12⅝	12¾-12 [illegible]	12 [illegible]	13 [illegible]
Two months	13¼-13 [illegible]	13¼-13 [illegible]	—	13⅝	12¾	12 [illegible]	12 [illegible]	12⅝-12 [illegible]	12 [illegible]	13¼
Three months	13 [illegible]-12¾	13 [illegible]-13⅝	13 [illegible]	13⅝	12½	12⅝	12 [illegible]	12 [illegible]-12 [illegible]	12⅝-12 [illegible]	15 [illegible]
Six months	12 [illegible]-12⅝	12 [illegible]-12 [illegible]	12 [illegible]	—	—	—	—	11 [illegible]-12	11 [illegible]	12 [illegible]
Nine months	12½-12⅜	12¾-12 [illegible]	—	—	—	—	—	—	—	—
One year	12-11⅞	12 [illegible]-12⅜	12 [illegible]	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	14-13⅝	—	13½	8.65-8.75	8⅛-8 [illegible]	9⅞-10
Two months	13⅞-13½	—	13¼	8.75-8.85	8⅜-8¾	10-10⅛
Three months	13¾-13⅝	—	13¼	8.9-9.0	8⅝-8⅞	10 [illegible]-10 [illegible]
Six months	13-12⅝	—	12⅝	9.3-9.4	8⅞-9⅛	10⅛-10¼
Nine months	12 [illegible]-12 [illegible]	—	12¼	9.6-9.7	—	—
One year	12 [illegible]-12 [illegible]	—	12¼	10.05-10.15	9¼-9½	10 [illegible]-10 [illegible]
Two years	—	11½	—	—	—	—
Three years	—	11½	—	—	—	—
Four years	—	11¾	—	—	—	—
Five years	—	11¾	—	—	—	—

ECGD Fixed Rate Export Finance IV: Average Rate of Interest period March 6 to April 2 (inclusive) 13.673 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rate (published by the Finance Houses Association): 14 per cent from April 1, 1985. London and Scottish Clearing Bank Rates for lending 13-13½ per cent. London Deposit Rates for sums at seven days' notice 7.17-7.50 per cent (net). Treasury Bills: Average tender rates of discount 12.3401 per cent. Certificates of Tax Deposit (Series 6). Deposits £100,000 and over held under one month 11½ per cent; one-three months 12½ per cent; three-six months 12¾ per cent; six-nine months 12½ per cent; nine-12 months 12 per cent. Under £100,000 11½ per cent from March 29. Deposits held under Series 5 12 per cent. The rate for all deposits withdrawn for cash 8 per cent.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	10½
Broker loan rate	9½
Fed funds	8½
Fed funds at intervention	—

Treasury Bills

One month	7.75
Two month	7.90
Three month	8.08
Six month	8.57
One year	8.75

Treasury Bonds

Two year	100 11/32
Three year	99 5/32
Four year	100⅛
Five year	100 1/32
Seven year	100 27/32
10 year	97½
30 year	96⅝

FT LONDON INTERBANK FIXING

11.00 a.m. April 4

Three months U.S. dollars

bid 9 — offer 9 1/8

Six months U.S. dollars

bid 9 1/2 — offer 9 5/8

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

FINANCIAL FUTURES

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
June	90.15	90.21	90.14	90.19
Sept	89.63	89.60	89.53	89.56
Dec	89.10	89.13	89.09	89.12
March	88.76	88.77	88.74	88.79
June	88.51	—	—	88.53

Estimated volume 2,282 (3,457)
Previous day's open int 16,336 (16,253)

THREE-MONTH STERLING £500,000 points of 100%

	Close	High	Low	Prev
June	87.76	88.00	87.72	88.08
Sept	88.73	88.79	88.71	88.88
Dec	88.80	89.00	88.80	88.99
March	88.79	—	—	88.98
June	88.79	—	—	88.98

Estimated volume 1,565 (138)
Previous day's open int 5,934 (5,775)

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
June	105-28	106-05	105-26	106-00
Sept	109-22	—	—	109-26
Dec	109-24	—	—	109-28
March	109-13	—	—	109-17

Estimated volume 1,132 (1,511)
Previous day's open int 3,079 (2,826)
Basis quote (clean cash price of 13¼% Treasury 2003 less equivalent price of near futures contract) −24 to −12 (32nds).

STERLING £25,000 $ per £

	Close	High	Low	Prev
June	1.1840	1.2000	1.1830	1.2105
Sept	1.1775	1.1900	1.1885	1.2045
Dec	1.1755	—	—	1.2025

Estimated volume 100 (398)
Previous day's open int 6,513 (6,513)

DEUTSCHE MARKS DM125,000 $ per DM

	Close	High	Low	Prev
June	0.3171	0.3193	0.3172	0.3215
Sept	0.3198	—	—	0.3243

Estimated volume 15 (47)
Previous day's open int 215 (215)

SWISS FRANCS SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
June	0.3747	—	—	0.3802

Estimated volume nil (nil)
Previous day's open int 157 (157)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
June	0.3947	0.3953	0.3947	0.3969
Sept	0.3987	—	—	0.4000

Estimated volume 18 (2)
Previous day's open int 567 (567)

FT-SE 100 INDEX £25 per full index point

	Close	High	Low	Prev
June	128.25	128.30	127.30	127.65
Sept	129.00	—	—	129.10

Estimated volume 108 (686)
Previous day's open int 1,113 (1,113)

U.S. TREASURY BONDS 8% $100,000 32nds of 100%

	Close	High	Low	Prev
June	68-28	69-09	68-27	69-08
Sept	67-30	—	—	68-10

Estimated volume 556 (787)
Previous day's open int 2,842 (3,057)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
June	69-16	69-17	68-30	69-00
Sept	68-17	68-20	67-30	68-02
Dec	67-21	67-24	67-07	67-08
March	66-29	66-31	66-26	66-16
June	—	66-10	65-29	65-27
Sept	—	65-23	65-17	65-08
Dec	—	65-05	64-25	64-23
March	—	—	—	64-08
June	—	—	—	63-26
Sept	—	—	—	—
Dec	—	—	—	63-01

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Latest	High	Low	Prev
June	91.50	91.53	91.31	91.36
Sept	90.95	90.98	90.81	90.85
Dec	90.56	90.58	90.42	90.46
March	90.22	90.22	90.10	90.13
June	89.97	89.97	89.89	89.90
Sept	89.75	89.75	89.68	89.70
Dec	89.55	89.55	89.47	89.51
March	89.37	89.37	89.31	89.34

CERT. DEPOSIT (IMM) $1m points of 100%

	Latest	High	Low	Prev
June	90.71	90.75	90.52	90.58
Sept	90.09	90.12	89.92	89.96
Dec	89.59	89.63	89.42	89.46
March	89.23	89.23	89.05	89.09

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Latest	High	Low	Prev
June	90.31	90.36	90.13	90.18
Sept	89.69	89.73	89.50	89.56
Dec	89.22	89.25	89.04	89.08
March	88.85	88.87	88.68	88.71
June	88.53	88.53	88.39	88.42
Sept	88.26	88.26	88.16	88.18
Dec	88.05	88.05	87.94	87.97
March	87.82	87.82	87.74	87.76

STERLING (IMM) $s per £

	Latest	High	Low	Prev
June	1.1910	1.1955	1.1800	1.1935
Sept	1.1850	1.1880	1.1730	1.1885
Dec	1.1840	1.1875	1.1690	1.1850
March	—	—	—	1.2265
June	—	—	—	—
Sept	—	—	—	1.2505

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
June	69-10	69-10	68-31	69-01
Sept	—	—	—	68-10
Dec	—	68-00	68-00	67-22
June	—	—	—	66-20
Sept	—	—	—	66-06

WEEKLY CHANGE IN WORLD INTEREST RATES

	April 4	change		April 4	change
LONDON			**NEW YORK**		
Base rates	13-13¼	−¼	Prime rates	10½	Unch'd
7 day interbank	13¼	−⅝	Federal funds	8½	−¼
3mth interbank	13 5/16	+ 1/16	3 Mth. Treasury Bills	8.21	+0.06
Treasury Bill Tender	12.3401	−0.0170	6 Mth. Treasury Bills	8.61	+0.08
Band 1 Bills	12⅞	Unch'd	3 Mth. C D	8.85	−0.05
Band 2 Bills	12¾	Unch'd	**FRANKFURT**		
Band 3 Bills	12⅝	Unch'd	Lombard	6.0	Unch'd
3 Mth. Treasury Bills	12⅜	Unch'd	One Mth. Interbank	5.825	−0.25
1 Mth. Bank Bills	12¾	− 1/16	Three month	6.10	−0.175
3 Mth. Bank Bills	12 [illegible]	− [illegible]	**PARIS**		
TOKYO			Intervention Rate	10½	Unch'd
One month Bills	6.28125	−0.0625	One Mth. Interbank	10 [illegible]	−⅛
Three month Bills	6.34375	Unch'd	Three month	10 [illegible]	−⅛
BRUSSELS			**MILAN**		
One month	10¼	−¼	One month	15 [illegible]	Unch'd
Three month	10⅛	−⅛	Three month	15 [illegible]	Unch'd
AMSTERDAM			**DUBLIN**		
One month	6⅞	+⅛	One month	14⅛	−⅛
Three month	6⅞	+ 1/16	Three month	13 [illegible]	− 1/16

London—band 1 bills mature in up to 14 days, band 2 bills 15 to 33 days, and band 3 bills 34 to 63 days. Rates quoted represent Bank of England buying or selling rates with the money market. In other centres rates are generally deposit rates in the domestic money market and their respective changes during the week. Band 4 bills 12½.

£ WORLD VALUE OF THE POUND

The table below gives the latest available rate of exchange for the pound against various currencies on April 4, 1985. In some cases rate is nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Abbreviations: (A) approximate rate, no direct quotation available; (F) free rate; (P) based on U.S. dollar parities and going sterling-dollar rates; (T) tourist rate; (Bas) basic rate; (bg) buying rate; (Bk) bankers' rates; (cm) commercial rate; (ch) convertible rate; (fn) financial rate; (exC) exchange certificate rate; (nc) non commercial rate; (nom) nominal; (o) official rate; (sg) selling rate; (c) controlled rate; (u) unified rate.

COUNTRY	CURRENCY	VALUE OF £ STERLING
Afghanistan	Afghani	99.00
Albania	Lek	9.92
Algeria	Dinar	(A) 6.27
Andorra	French Franc	11.555
	Spanish Peseta	211.32
Angola	Kwanza	(CM) 34.5525
Antigua	E. Caribbean $	4.03
Argentina	New Peso	425.15
Australia	Australian $	1.8220
Austria	Schilling	26.60
Azores	Portuguese Escudo	209.72
Bahamas	Ba. Dollar	1.19
Bahrain	Dinar	0.4540
Balearic Isles	Spa Peseta	211.32
Bangladesh	Taka	31.20
Barbados	Barbados $	2.42
Belgium	B. Franc	(cm) 76.25 (fm) 76.40
Belize	B $	2.41
Benin	C.F.A. Franc	577.75
Bermuda	Bda $	1.1965
Bhutan	Indian Rupee	14.95
Bolivia	Bolivian Peso	(u) 54,301.5
Botswana	Pula	2.1535
Brazil	Cruzeiro††	5,450.80
Brit. Virgin Isles	U.S. $	1.1965
Brunei	Brunei $	2.67
Bulgaria	Lev	1.2144
Burkino Faso	C.F.A. Franc	577.75
Burma	Kyat	9.7021
Burundi	Burundi Franc	148.00
Cameroon	C.F.A. Franc	577.75
Canada	Canadian $	1.21275
Canary Islands	Spanish Peseta	211.32
Cape Verde Is	Cape V. Escudo	107.72
Cayman Islands	Cay. Is. $	1.007
Cent. Afr. Republic	C.F.A. Franc	577.75
Chad	C.F.A. Franc	577.75
Chile	Chilean Peso	177.50
China	Renminbi Yuan	3.4385
Colombia	Col. Peso	(F) 152.27
Comoro Islands	C.F.A. Franc	577.75
Congo (Brazzaville)	C.F.A. Franc	577.75
Costa Rica	Colon	(U) 59.12
Cuba	Cuban Peso	1.12
Cyprus	Cyprus £	0.7700
Czechoslovakia	Koruna	(com) 8.10 / n/c 14.07 / 13.74
Denmark	Danish Kroner	13.5850
Djibouti	Djibouti Franc	209.0
Dominica	E. Caribbean $	4.03
Dominican Repub.	Dominican Peso	(O) 1.1965 / 4.12 (7)
Ecuador	Sucre	(O) 80.99 / (F) 141.71
Egypt	Egyptian £	1.0010 (14) / 1.4475 (8)
El Salvador	Colon	(O) 3.0194 / (F) 4.8843
Equatorial Guinea	Ekuele	577.75
Ethiopia	Ethiopian Birr	2.4550
Falkland Islands	Falkland Is. £	1.0
Faroe Islands	Danish Kroner	13.5850
Fiji Islands	Fiji $	1.4305
Finland	Markka	7.8974
France	French Franc	11.555
French C'ty in Af.	C.F.A. Franc	577.75
French Guiana	Local Franc	11.55
French Pacific Is.	C.F.P. Franc	205.0
Gabon	C.F.A. Franc	577.75
Gambia	Dalasi	5.00
Germany (East)	Ostmark	3.79
Germany (West)	Deutsche Mark	3.79
Ghana	Cedi	60.25
Gibraltar	Gibraltar £	1.0
Greece	Drachma	164.66
Greenland	Danish Kroner	13.5850
Grenada	E. Caribbean $	4.03
Guadaloupe	Local Franc	11.555
Guam	U.S. $	1.1965
Guatemala	Quetzal	1.1965
Guinea	Syli	30.14
Guinea-Bissau	Peso	102.63
Guyana	Guyanese $	5.0610
Haiti	Gourde	6.03
Honduras	Lempira	2.495
Hong Kong	H.K. $	9.38
Hungary	Forint	62.57
Iceland	I. Krona	50.3096
India	Ind. Rupee	14.95
Indonesia	Rupiah	1,330.99
Iran	Rial	114.60 (sg)
Iraq	Iraqi Dinar	0.38
Irish Republic	Irish £	1.21275
Israel	Shekel	863.85
Italy	Lira	2,417.5
Ivory Coast	C.F.A. Franc	577.75
Jamaica	Jamaica Dollar	6.45 (sg)
Japan	Yen	304.0
Jordan	Jordanian Dinar	0.494
Kampuchea	Riel	N/A
Kenya	Kenya Shilling	19.29
Kiribati	Australian $	1.822
Korea (Nth)	Won	1.57 (11)
Korea (Sth)	Won	1034.06†
Kuwait	Kuwaiti Dinar	0.3650
Laos	New Kip	42.23
Lebanon	Lebanese £	21.53
Lesotho	Maluti	2.3945
Liberia	Liberian $	1.1965
Libya	Libyan Dinar	0.35
Liechtenstein	Swiss Franc	3.2075
Luxembourg	Lux Franc	76.25
Macao	Pataca	9.78
Madeira	Portug'se Escudo	209.72
Malagasy Republic	MG Franc	777.50
Malawi	Kwacha	2.1925
Malaysia	Ringgit	3.0320
Maldive Islands	Rufiyaa	8.50
Mali Republic	C.F.A. Franc	577.75
Malta	Maltese £	0.5825
Martinique	Local Franc	11.55
Mauritania	Ouguiya	81.04
Mauritius	M. Rupee	19.32
Mexico	Mexican Peso	(F) 296.68 / (C) 250.81
Miquelon	Local Franc	11.555
Monaco	French Franc	11.555
Mongolia	Tugrik	4.68 (ll)
Montserrat	E. Caribbean $	4.03
Morocco	Dirham	11.50 (sg)
Mozambique	Metical	(A) 58.75
Namibia	S.A. Rand	2.3945
Nauru	Australian Dollar	1.8220
Nepal	Nepalese Rupee	22.09
Netherlands	Guilder	4.28
Netherland Antilles	Antillian Guilder	2.17
New Zealand	N.Z. Dollar	2.67
Nicaragua	Cordoba	(O) 37.77 / —
Niger Republic	C.F.A. Franc	577.75
Nigeria	Naira	1.126091 (sg)
Norway	Norwegian Krone	10.9150
Oman Sul'ate of	Rial Omani	0.4165
Pakistan	Pakistan Rupee	18.95
Panama	Balboa	1.1965
Papua N. Guinea	Kina	1.2605
Paraguay	Guarani	289.44 (10) / 539.09 (7) / 382.11 (12)
Peru	Sol	exc (A) 9,944†
Philippines	Philippine Peso	20.70
Pitcairn Islands	£ Sterling	—
	New Zealand $	2.67
Poland	Zloty	168.07
Portugal	Portuguese Escudo	209.72
Puerto Rico	U.S. $	1.1965
Qatar	Qatari Ryal	4.3650
Reunion Island	French Franc	11.555
Romania	Leu	(Cm) 5.56 / (N/C) 15.55
Rwanda	Rwanda Franc	122.05
St. Christopher	E. Caribbean $	4.03
St. Helena	St Helena £	1.0
St. Lucia	E. Caribbean $	4.03
St. Pierre	Local Franc	11.555
St. Vincent	E. Caribbean $	4.03
Samoa American	U.S. $	1.1965
San Marino	Italian Lira	2,417.5
Sao Tome & Prin.	Dobra	55.25
Saudi Arabia	Saudi Ryal	4.3425
Senegal	C.F.A. Franc	577.75
Seychelles	S. Rupee	8.76
Seirra Leone	Leone	(O) 7.00
Singapore	Singapore $	2.67
Solomon Islands	Solomon Is. $	1.6970
Somali Republic	Somali Shilling	44.16
South Africa	Rand	2.3945
Spain	Peseta	211.32
Spanish ports in North Africa	Peseta	211.32
Sri Lanka	S. L. Rupee	32.20
Sudan Republic	Sudan £ (u)	3.01
Surinam	S. Guilder	2.15
Swaziland	Lilangeni	2.3945
Sweden	S. Krona	10.94
Switzerland	Swiss Franc	3.2075
Syria	Syrian £	(A) (T) 9.0 / (CM) 4.73
Taiwan	New Taiwan $	47.74
Tanzania	Tan. Shilling	21.55
Thailand	Baht	33.00
Togo Republic	C.F.A. Franc	577.75
Tonga Islands	Palanga	1.8220
Trinidad	Trinidad & Tob $	2.90
Tunisia	Tunisian Dinar	1.03 (sg)
Turkey	Turkish Lira	603.55
Turks & Caicos	U.S. $	1.1965
Tuvalu	Australian $	1.822
Uganda	Uganda Shilling	702.50
United States	U.S. Dollar	1.1965
Uruguay	Uruguay Peso	113.82
Utd. Arab Emirates	U.A.E. Dirham	4.4285
U.S.S.R.	Rouble	1.0641
Vanuatu	Vatu	134.35
Vatican	Italian Lira	2,417.5
Venezuela	Bolivar	(4) 5.18 / (5) 9.08 / (6) 16.74
Vietnam	Dong	(O) 12.67
Virgin Island U.S.	U.S. Dollar	1.1965
Western Samoa	Samoan Tala	(A) 2.78
Yemen (Nth)	Ryal	7.86 (sg)
Yemen (Sth)	S.Yemen Dinar	0.4132
Yugoslavia	New Y Dinar	316.5785
Zaire Republic	Zaire	57.2785
Zambia	Kwacha	2.78
Zimbabwe	Zimbabwe $	1.8900

† Rate is the transfer market (controlled). †† Now one official rate. (§) Based on gross rates against Russian rouble. (1) Essential goods. (2) Preferential rate for priority imports such as foodstuffs. (4) Preferential rate for public sector debt and essential imports. (5) Preferential rate. (6) Free rate for luxury imports, remittances of money abroad and foreign travel. (7) Parallel rate. (8) Rate for remittances of foreign currency by Egyptians working abroad and tourists. † Correction (March 18): Peru, 8,147.49.